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**No. 9, September 1979**



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## COMMUNIST PARTY OF THE UNITED STATES OF AMERICA--SIXTY YEARS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 3-13

[Article by N. V. Mostovets]

[Text] The Communist Party of the United States of America--one of the oldest parties in the international communist movement--is celebrating its 60th birthday. The draft of the main political resolution of the 22d congress, convened on 22-26 August 1979, states: "We can proudly look back over the last 60 years and look toward the future with profound feelings of confidence in our working class, people and party. The history of our party is the history of a revolutionary political party of the working class, a loyal fighter for the cause of the working class. Its activity is firmly based on the established truth of Marxist-Leninist doctrine."

During these 60 years, the Communist Party of the United States of America has come a long way and has experienced many difficulties. It has been subjected to brutal persecution; reaction has dealt it one blow after another, not simply in an attempt to drive it far underground and deprive it of any chance of openly fighting for the vested interests of the working public, but for the purpose of ending its existence altogether. Enemies have acted from within the party as well as from outside. The party has overcome all of these difficulties, has warded off all of the attacks of reactionary forces and is now more unified, cohesive and militant than ever before as it celebrates its glorious 60th anniversary.

Here is what happened on 1 September 1919. The left wing of the Socialist Party of America, which had severed its connections with the party because of the reformist and opportunist party line, held its own convention in Chicago, where the establishment of the Communist Party of America was proclaimed, with Charles Ruthenberg as its head. The same day, another group of leftist socialists, headed by Alfred Wagenknecht and John Reed, which had not been allowed to attend a Socialist Party congress by party leaders and which had held its own convention on 31 August, also in Chicago, announced the founding of the Communist Workers Party. In this way, two communist parties came into being in the United States in September 1919, with a nucleus made up of prominent workers, farmers and representatives of the



intelligentsia. At that time, a powerful wave of strikes overtook the nation under the influence of the Great October Revolution. And it can be said that the communist movement rode into the United States on the crest of this wave.

In May 1921, the two parties united, forming the Communist Party of America. In 1930, at the party's Seventh Congress, a decision was made to rename it the Communist Party of the United States.

The draft resolution of the 22d Congress emphasizes the objective origins of the political and ideological basis for the establishment of the CP 60 years ago and the forces making it up. "The Communist Party of the United States is not the product of the subjective whims of any particular sect," the document states. "As a result of objective conditions, the party is rooted in the working class and the class struggle."

During the very first years of their activity, the communists proved to be consistent defenders of working class interests. They took part in such major American worker demonstrations as the steelworkers' strike (1919), the coalminers' strike (1920) and others. During the economic crisis of 1929-1933, the Communist Party of the United States of America, despite its small size, acted as the vanguard of the working class and led strikes, mass demonstrations and the famous marches of the unemployed on Washington in 1931 and 1932.

In the 1930's and 1940's, the CP already represented a significant political force, fighting in the forward ranks for the vested interests of the working public and fighting against reaction. After the establishment of the fascist regime in Germany, it launched a vigorous struggle against the dangers of war and fascism. It worked toward the creation of a united popular front, toward the unification of all democratic forces in the nation. During World War II, the party played its part in the victory over Hitler's Germany and militaristic Japan. It consistently fought for the opening of a second front and for assistance to the Soviet Union, which was actually fighting off Hitler's Germany all alone for a long time. At that time, 15,000 American communists were fighting in the U.S. Army.

Reaction saw that the CP was gaining influence with the masses. It made a great effort to smother and dissolve the party. In the first days after the party's founding, American authorities were already organizing a "crusade against the Reds." Raids were conducted under the supervision of Attorney General Palmer, as a result of which around 10,000 people were arrested--not only party leaders, but also rank-and-file members and sympathizers. In subsequent years, the U.S. Congress passed dozens of anti-communist laws, on the basis of which the CP was identified as a subversive organization and membership in the party was regarded as a crime, punishable by sizeable monetary fines and lengthy prison terms.

This persecution did not smother the CP. It gained strength and its ranks swelled. It was severely harmed, however, by intra-party struggle, which

was exceptionally fierce at times. While ruling circles and reactionary forces wanted to put an end to the party altogether, anti-party elements, revisionists and sectarians tried to turn it into a classless organization. This was the case, in particular, in 1929-1933, when former party General Secretary J. Lovestone set forth the revisionist theory of the "exceptional" nature of American capitalism, appealing for "class cooperation" and for the replacement of the Communist Party with a mass non-party association.

At that time, the party was still young, and revisionist theories represented a definite threat to its existence. Even then, however, an active role was being played in the party by such confirmed Marxists as William Foster, Gus Hall, Henry Winston, Benjamin Davis, Robert Thompson and others. Healthy forces rallied round them. And although it was difficult to fight for the preservation of the party under the conditions of constant persecution--particularly since Lovestone's followers included a fairly large group of party members from the intelligentsia--the fight was successful. After Lovestone and his supporters were expelled from the party, they turned into the communist movement's worst enemies.

The Communist Party underwent severe crisis during World War II, in 1944 and 1945; it was precipitated by the revisionist activity of former General Secretary Earl Browder. Browder took up Lovestone's reactionary theory concerning the "progressive" nature of American imperialism and also appealed for "national unity," "class cooperation" and the dissolution of the party. At the 12th Congress (1944), Browder was able to force through a decision to replace the CP with a so-called "communist non-party political association." Once again, however, due to the efforts of its solid Marxist nucleus, united around its chairman, William Foster, and other activists, the CP was revived in July 1945 at its 13th special congress. Browder and his supporters, who did not cease their anti-party activity even after this congress, were expelled from the party.

The anti-party activities of revisionists in the 1940's inflicted serious damage on the party. It lost members, became noticeably weaker and lost touch with the masses.

The persecution of the party was intensified during the cold war. Almost all party leaders were arrested on the charge that they were advocating the overthrow of the existing order. Members of the party National Committee took their place in the dock--Gus Hall, Robert Thompson, Henry Winston, Benjamin Davis, Eugene Dennis, Carl Winter and others. All of them were sentenced to prison terms of varying length and served most of these terms. Party Chairman William Foster escaped this fate only by virtue of a serious illness which kept him confined to his bed.

Between 1956 and 1959, when most of the party leaders, particularly Gus Hall, Henry Winston, Elizabeth Flynn and others, were in prison, the party was menaced by a new and serious danger. Revisionist elements became more active. They were headed by former Secretary Gates of the National Committee, ex-editor of the DAILY WORKER who had been released from prison before his term was up, and Bittleman.

The fate of the party was decided by its 16th Congress in February 1957. William Foster's active participation in the work of this congress wrecked the plans of Gates and his followers. The congress adopted a resolution, proposed by Foster, which reaffirmed the necessity for the CP's existence as a militant organization of the working class, based on the principles of Marxism-Leninism. The significance of the 16th Congress in the history of the Communist Party, USA is great. Although the Congress did not complete the ideological and organizational defeat of this revisionist faction, which was the largest and most cohesive of the postwar period, it dealt it a blow that was severe enough to keep it from regaining any kind of influence over the majority of rank-and-file members. It was no longer able to threaten the party's existence. This stage of the struggle came to an end at the next plenum of the National Committee, at which time the old executive committee was dissolved and a new one was elected.

The 17th Congress in December 1959 also became an important milestone in party history. At this time, the membership of the National Committee grew to 60. William Foster was elected honorary chairman (he held this post until his death in 1961), E. Dennis was elected chairman and G. Hall was elected (and still is) general secretary.

The end of the 1950's in the United States was marked by a vigorous offensive on the part of reactionary forces, a new round of attacks on the CP and progressive organizations, the height of the cold war against the Soviet Union and the escalation of the arms race. The 17th party congress analyzed all of these phenomena in depth. In the past, because it had been immersed in a fierce struggle against its enemies, the CP had not paid enough attention to the vitally important issue of lasting peace. At the 17th Congress, it occupied one of the main slots on the agenda for the first time. One of the basic resolutions pertaining to U.S. foreign policy stated: "The fate of peace throughout the world now depends primarily on the improvement of relations between the United States and the Soviet Union.... If relations between our country and the Soviet Union are normalized and if they begin to cooperate to keep the peace, peace throughout the world could become inviolable."<sup>1</sup> This resolution was adopted 20 years ago, but it sounds as though it could have been adopted today. This fundamental party position has remained unchanged.

The 17th Congress confirmed the decision which obligated the party to put an end to all remaining factional groups and methods and called for the establishment of total unity by means of persistent struggle on two fronts--against all remaining traces of revisionism and sectarianism and against dogmatism. The adoption of this decision was made all the more necessary by the fact that a Maoist faction had come into being within the party, had taken an anti-Marxist stand and was actually demanding that the party's entire program of action be revised and that the party sever its connections with the international communist movement. This Maoist group was functioning within the New York party organization. As a result of this group's refusal to cease its activity even after the adoption of the congress decision, all of its members were expelled from the party in 1962.



The CP USA always took decisive action against those who tried to undermine it from within.

At the same time that it was fighting against anti-party elements, the CP set itself the task of repealing all anticommunist laws and emerging from the isolation it had been forced into by reactionary persecution. By taking part in the movement against the war in Vietnam and supporting working class strikes and the struggle of the black population and other ethnic minorities, the party achieved definite successes in the 1960's and its influence began to be felt in all mass movements. As a result, U.S. democratic circles, seeing the Communist Party as a genuine defender of the public interest, began to make increasingly insistent demands for an end to all party persecution. In this atmosphere, ruling circles had to take these demands into consideration. In 1964, the right of party members to apply for foreign passports was restored, and in 1965 the article of the reactionary Landrum-Griffin Act, which prohibited the appointment of communists to positions of leadership in labor unions, was repealed. In November 1965, the U.S. Supreme Court ruled that one of the main articles of the McCarran Act, requiring the Communist Party to register as the "agent of a foreign power," was unconstitutional.

As a result, the charges of espionage for the benefit of a foreign power that had been made against more than 40 party leaders, including General Secretary G. Hall, were dropped. Higher courts reversed the sentence passed on the CP, in accordance with which it had been fined for failing to register with the Department of Justice as an "agent of a foreign power." Finally, in December 1967, the U.S. Supreme Court ruled that the article of the McCarran Act that prohibited the employment of communists in defense plants was unconstitutional. Therefore, the main articles of anticommunist legislation were invalid by the end of the 1960's. This was a great victory for the Communist Party.

These successes in the struggle for political rights not only signified the victory of democratic forces over reaction, but also changed the attitude of many public and labor organizations toward the communists. They caused many Americans to take a greater interest in the Communist Party. This was also fostered by objective conditions: the mounting strike struggle, the dramatic intensification of the movement for black rights and the massive scales of public demonstrations for peace and against the war in Vietnam. The younger generation and women became increasingly involved in the social and public struggle.

At this time, the absence of a Marxist-Leninist program, containing precise and clear definitions of strategy and tactics, with consideration for national peculiarities, naturally affected party activity. V. I. Lenin once wrote: "Without a program, a party cannot be any kind of integral political organism capable of constantly adhering to its line through any and all reversals of fate. Without a tactical line, based on an assessment of the current political moment and providing precise answers to the

'hellish questions' of the day, there can be a group of theoreticians, but there cannot be a functioning political entity."<sup>2</sup>

This extremely important Leninist premise served as a guide for American communists as well.

It had been around 50 years since the adoption of the first party program and the need to adopt a new one had arisen long ago. The situation had changed, not only in the nation but throughout the world as well, and it had to be analyzed in depth from a class, Marxist standpoint. A draft of the new party program, compiled by a commission of the National Committee, was published in February 1966 for general discussion and was later brought up as a topic of discussion at the next party congress, the 18th.

The 18th Congress was held on 22-26 June 1966. Its slogan was "For Radical Change." For the first time in the last 20 years, after heavy persecution by the authorities and internal confusion as a result of the factional activities of revisionists and sectarians, the party was able to record definite tendencies toward the revival of its activity and realistically discuss ways of playing a more active part in U.S. politics.

The congress actually took place under legal circumstances. One of the main objectives of the party at that time was broader struggle against the aggression of U.S. imperialism in Vietnam and stronger united action by all opponents of the anti-people domestic policy and aggressive foreign policy of the Johnson Administration. The party felt that the movement for peace and against the war in Vietnam, in which labor unions, blacks, youth and women were taking part, could lay the foundation for the creation of a united front of all democratic forces in the nation. The idea of the united front was the main topic when the draft party program was discussed. The congress pointedly criticized the views of "leftist" and rightist opportunists, who were trying to deny the possibility of the attainment of this objective and demanded that the statement about the united front be deleted from the draft. After pronouncing the appropriate judgment on these views, the congress decided to continue discussing the draft program in the belief that it was extremely useful.

The National Committee elected at the 18th Congress was made up of 90 individuals, and approximately one-third were young people who had recently joined the party. H. Winston was elected national party chairman and G. Hall was elected general secretary.

The 18th Congress of the CP USA demonstrated that it had successfully overcome all difficulties and was searching out appropriate means of reaching the masses. At the congress, G. Hall said: "The party has broken out of its political isolation. The party ranks have begun to grow and its influence is getting stronger. We represent a decisive factor in the left wing of every mass movement in the nation. The general policy and tactical line set forth by the party are correct."<sup>3</sup>

At the end of the 1960's, the CP USA had actually emerged from isolation and could now openly communicate with the masses and listen to the voice of the masses. This made it possible for it to take part in the election campaign of 1968 as an independent political organization.

The question of participation in the election campaign was discussed at a special congress, which was held from 4 to 6 July 1968 in New York. At the same congress, the results of the debates over the party program were summed up. Although these debates had gone on for almost two and a half years, the prevailing view in the party was that some premises of the draft program had not been worked out completely and would give rise to arguments. As G. Hall noted in his report, such major issues mentioned in the draft, such as the anti-monopoly coalition, the liberation movement of the blacks and the role of the working class, required further discussion. The congress resolved that the National Committee should continue the debate. This debate now transcended the party framework. Many of its premises became the subject of speeches presented by party activists at mass meetings organized in connection with the campaign.

The CP attached great significance to its participation in the presidential election campaign of 1968. The last time it had taken part in this kind of campaign was 28 years before, in 1940, when William Foster was the party candidate. This time the CP candidate for the presidency was Charlene Mitchell, a member of the party leadership, and the candidate for the vice-presidency was Mike Zagarell, head of the New York organization.

During this campaign, the party had to endure the pressure exerted on it by reactionary forces, which were trying to use the August events in the CSSR as a means of discrediting the party. The CP USA, which was one of the foremost among the communist parties of capitalist countries, described the counterrevolutionary excursion in Czechoslovakia from a Marxist, class standpoint, highly commending the actions taken by the five socialist countries. On 22 August, the day after the socialist countries sent their troops into Czechoslovakia, G. Hall issued a press release on behalf of the secretariat, in which he remarked: "The central issue in Czechoslovakia is the defense of socialism against counterrevolutionary danger. It seems quite clear that antisocial elements, supported by the subversive forces of American and West German imperialism, rose up during the process of the implementation of an important democratic reform."<sup>4</sup>

A special plenum of the party National Committee was called to order on 29 August. One topic was discussed at the plenum—the events in Czechoslovakia. Rightist and leftist elements worked toward the adoption of a resolution to justify the counterrevolutionary actions in that country. When the matter was put to a vote, however, 61 members of the National Committee supported the secretariat's position, 7 opposed it, and 4 abstained. The opposition suffered a total defeat.

For its clear-cut stand on the events in Czechoslovakia, the CP was subjected to rabid reactionary attacks. But these attacks did not intimidate the party. Reaction was unable to force the party to withdraw from the campaign.



When G. Hall later assessed the results of the 1968 campaign at the party's 19th Congress, he said the following: "The presidential campaign of the Communist Party was marked by a break with the isolation of the past.... We took an important initial step in the struggle for the election rights of our party and united it with the struggle of the masses for their vital needs."<sup>5</sup>

The 19th Congress (30 April-4 May 1969) became an important milestone in the life of the CP USA. After 3 years of debates, the party program was adopted. This was of tremendous value in the consolidation of party ranks. The idea of strengthening the anti-monopoly struggle and all of its forms and methods was reflected in all sections of the program. The program stressed that the main objective of all democratic forces was the creation of an anti-monopoly coalition led by the working class.

Guided by the new program, the party began extensive work with the masses. This work produced results, as attested to by the 1972 election campaign.

In preparing for this campaign, the party resolved to gain more voter support than in the past. The decision to nominate party General Secretary Gus Hall as the presidential candidate and Jarvis Tyner, leader of the Marxist youth organization, the Alliance of Young Workers for Freedom (founded in 1970), as the vice-presidential candidate was unanimously approved at the 20th Congress (18-21 February 1972).

The congress resolved to make some changes in party governing agencies. The National Committee was renamed the Central Committee; this Central Committee would elect a Politburo.

In an attempt to keep party candidates from running in the election, U.S. reactionary circles resorted to all types of provocation. Certain party organizations were infiltrated by FBI agents, who tried to disrupt party activity. The party's enemies resorted to extreme measures. In June 1972, at the height of the campaign, an attempt was made on G. Hall's life in St. Louis (Missouri). The crime was only prevented by Hall's failure to appear at a meeting after he had been warned about the assassination plan.

At that time, an event occurred that made a tremendous change in the international situation and in internal political conditions in the United States. In May 1972, a historic Soviet-American summit meeting took place in Moscow. The meeting resulted, as we know, in the signing of important documents of tremendous significance, not only for the Soviet and American people, but also for people throughout the world.

The CP USA highly commended the results of these talks. Its published statement said: "The summit talks in Moscow represented a victory for the people of the world. The principle of peaceful coexistence by different social systems was confirmed at the talks. The confirmation of this principle is a step toward making the idea of peaceful coexistence a reality."

The statement went on: "The summit-level meeting and the agreements concluded at this time clearly demonstrate the failure of the policy conducted by imperialist powers for more than a quarter of a century--the policy of cold war and confrontation which was taken up by the Western powers after World War II for the purpose of 'containing communism.'"6

This began a new stage in Soviet-American relations and initiated the process of their normalization. This process, which was responded to with tremendous satisfaction by the Soviet and American people as well as people throughout the world, was of decisive significance for international detente. The general American public, just as the public in other countries, was greatly pleased by the reversal in Soviet-American relations.

During the course of the continuing campaign, the CP expressed its support for the new process of normalization in Soviet-American relations and told the masses about the importance of this process, which would put an end to the cold war. This party work was made all the more necessary by the fact that the opponents of international detente moved from negligible interference to an all-out offensive.

Participation in the 1972 campaign was of tremendous significance to the party. The campaign to collect signatures for petitions was successful: 400,000 signatures were collected. But the party only had the right to campaign in 13 states and the federal District of Columbia. Local anti-communist laws were still in effect in most states. Nonetheless, when Hall made a speech soon after the election at a plenum of the party Central Committee (8-10 December 1972), he had every reason to declare that the past campaign could quite confidently be described as a major party achievement. "We have broken through the wall of boycotts that was built around us by the mass media," G. Hall said. "We have broken through the legal barriers preventing us from nominating our candidates, we have overcome barriers of a unique type in some southern states and we have overcome the treatment of our party as an illegal organization in dozens of cities and states."7

Taking the new situation into account, the December Plenum resolved to issue new party membership cards. These cards had been abolished 25 years before, when McCarthyism was in full swing, when the House Un-American Activities Committee was active and when membership in the CP was punishable by strict penalties.

The issuance of party membership cards began in January 1973. This contributed to the organizational strengthening of the party and created a basis for more successful work in the recruitment of new members, particularly from among young workers.

The process of the normalization of relations between the Soviet Union and the United States continued to develop. In June 1973, General Secretary L. I. Brezhnev of the CPSU Central Committee visited the United States,

where a second meeting between the heads of the two states took place. The CP heartily welcomed L. I. Brezhnev. During his stay in the United States, the party conducted a great deal of explanatory work with the masses. In a letter to L. I. Brezhnev, G. Hall and H. Winston wrote the following: "Many Americans are well aware that your visit to the United States reflects a historic advancement in international affairs.... Your visit will facilitate an even more graphic comparison of two social systems--capitalism with its crises, instability, unemployment, racism and oppression, and the Soviet Union, a socialist country, a multinational state, which has eradicated unemployment, racism and oppression and is pursuing the highest humane goals."<sup>8</sup>

During his stay in the United States, L. I. Brezhnev met and talked with G. Hall and H. Winston. The American public took an interest in this event. L. I. Brezhnev wished the CP USA "new successes in the common struggle for friendship between the people of the Soviet Union and the United States of America, for detente and for social progress."<sup>9</sup>

Following this visit, the domestic political situation in the United States was sharply exacerbated by the so-called Watergate affair. Faced by the violation of constitutional provisions and the obvious inability of the administration to solve urgent economic and other problems, organized and unorganized workers and the broadest segments of the population were in favor of impeaching the President--that is, taking away his authority and making him answer for his actions. The movement for Nixon's impeachment was supported by the CP, but it interpreted the Watergate affair not as an isolated episode in political life, but as a natural symptom of the acute crisis that had overtaken the entire system of monopolistic capital.

While it supported the demands of the masses for the impeachment of the President, the CP also exposed the true enemies of detente. Who were they? Above all, the communists said, they were monopolistic circles, which were closely connected with the military-industrial complex and Pentagon and had a financial incentive to continue the arms race and increase military spending; other enemies were Zionist circles, reactionary labor leaders and ultra-leftist and Maoist extremists.

The CP prepared for its next congress in an atmosphere of acute domestic political conflicts and intense class struggle. As the time for the congress approached, the CP was a cohesive and unified entity and the most authoritative political organization of the working class.

The 21st Congress of the CP USA was held in Chicago from 26 through 29 June 1975. This was the first time this large industrial center was chosen as the congress site since the time of the party's founding 56 years before.

This was the most representative congress in the history of the CP USA. It was attended by 357 delegates with a deciding vote and 36 with a deliberative vote from 38 states or 31 party districts.



According to POLITICAL AFFAIRS: "The most important fact was that complete ideological unity was displayed at the congress, putting an end to the factionalism and dissent which had interfered with party work for several years and had diverted congress attention away from the main objectives."<sup>10</sup>

Something else was equally important--the characteristics of congress delegates. More than half of them were under 40 and more than 250 had only been party members less than 10 years. Some 28 percent of the individuals attending the congress were black and 10 percent were representatives of other oppressed minorities.<sup>11</sup> Approximately 20 percent of the delegates were employed in the main branches of industry--the steel, automotive, coal and radioelectronics industries, railway transport and dockwork.

Foreign political issues were again the center of attention at the congress. In the accountability report, Gus Hall stressed the tremendous importance of detente. He said that detente had only been made possible by the purposeful activity of the CPSU, aimed at the consolidation of peace and public security. The speaker exposed the true goals of the opponents of detente.

In his discussion of domestic problems, G. Hall again emphasized the need to create an anti-monopoly coalition. "The anti-monopoly concept," Hall said, "is not any kind of fabrication, but the only possible realistic and triumphant response to monopoly domination."<sup>12</sup> The congress pointed out the need to form leftist coalitions as the first step in this process and said that these could serve as the basis for a new mass people's party. This kind of party could challenge the existing two-party system.

The congress resolved to revise and perfect the program adopted at the 19th party congress. During the years since the 19th congress, serious changes had taken place in the world and in the nation and they had to be reflected in the party program.

Gus Hall was now completely justified in saying at the congress: "We can now state that our party has become the most viable, most influential, most quickly growing, most organized, most youthful, most energetic, most courageous and most cohesive force on the left flank of the alignment of political forces in the United States."<sup>13</sup>

At the 21st Congress, the coming election campaign of 1976 was also discussed. A more specific discussion followed at the plenum held soon after the congress. Party candidates were again G. Hall and J. Tyner, who had been elected chairman of the New York party organization in 1975.

Anticommunist laws, which prohibited the inclusion of CP candidates on the ballot, were still in force in many states. But the party entered the race. Its election platform included exceedingly important demands: a 6-hour work day with no change in wages, immediate steps to reduce unemployment, sharp cuts in the defense budget, the eradication of racial discrimination in all spheres of life and the treatment of racism as a criminal act.

The Communist Party advocated support for the national liberation struggle of oppressed people. It reaffirmed the importance of the ongoing process of detente and the improvement of Soviet-American relations. As H. Winston and G. Hall remarked in a statement, the Communist Party was campaigning "as a minority party, but a party with a program reflecting the majority interest."

The party achieved new successes in the 1976 campaign. Petitions demanding the inclusion of CP candidates on the ballot were signed by more than 500,000 individuals (as compared to 400,000 in 1972). This meant 100,000 new friends! This time, the party won the right to campaign in 19 states and the District of Columbia.

The years of 1977-1979 were filled with demonstrations by the American working class, which were distinguished not only by their high level of organization and their strength, but also by the frequent inclusion of political demands. President J. Carter, who entered the White House as a result of the 1976 election, did not keep the promises he made during his campaign. Inflation continued to spiral, the standard of living declined, unemployment did not decrease and the life of the black population and other ethnic minorities was not any easier. The administration intervened more and more frequently in conflicts between workers and employers, invariably taking the side of the latter.

The present situation is forcing the CP to look for new ways of creating a united front of anti-monopoly forces. This was the topic of discussion at Central Committee plenums and Politburo sessions of recent years.

The creation of an anti-monopoly front was also the main topic of discussion at the 22d party congress (22-26 August 1979) in Detroit. This was an anniversary congress. It coincided with the party's 60th birthday.

The 22d Congress will be remembered as another major event in party life. Its draft political resolution and new program are extremely important documents, which not only provide a deep Marxist evaluation of domestic and international affairs, but also set specific objectives for the party.

In their description of the current state of affairs, the drafts of the political resolution and the program point out the main distinguishing feature of the present situation--the worldwide revolutionary process. The draft resolution compares and contrasts the two social systems, emphasizing the ascent of the nations of real socialism and the intensification and exacerbation of the general crisis of capitalism. It describes the state of the U.S. economy and reveals the ties that bind the government to the monopolies, precisely, in depth and with consideration for current events. "State-monopolistic capitalism," the draft says, "has reached its highest level in the United States. This present level and, in particular, the new role of government, are introducing a new element into the class struggle and the struggle against the monopolies.... The people are quite

justifiably acquiring increasing distrust in the role of the government, which is under the control and at the service of monopolistic capital."

All of this, the draft goes on, is making the need for a new anti-monopoly party even more apparent. Now that the government is losing its fig leaf of neutrality in the class struggle, the anti-monopoly movement is becoming increasingly widespread; it is now directed against state-monopolistic capitalism. This is not simply a new term in party documents, but a fuller and more precise definition of the nature of the current mass struggle. "Life itself," the draft resolution states, "is injecting feelings against state-monopolistic capitalism into each protest, each expression of anger and each movement and struggle. Each movement and each struggle contains the seeds and the potential of protest against state-monopolistic capitalism."

Who is leading this struggle? The working class. It has been assigned the central position in policy-planning documents. They note a new characteristic of the contemporary U.S. working class. The masses are becoming more radical. "There is a process of radicalization from the right to the center, from the center to the left, and from the left to the Communist Party. As a result, the influence of rightist supporters of collaborationism continues to decline. Leftist and centrist forces are uniting. The trend toward the unification of leftist and centrist forces is apparent on all levels of the worker and union movement."

The issue of unity has always been primary and the party has always given it a great deal of attention. This no longer means simply the unity of leftist forces, but also the unity of leftist and centrist forces. The struggle for this kind of unity will become the cornerstone of party activity.

The question of participation in the next presidential election campaign was discussed at the March Plenum of the Central Committee in 1979. Party candidates for the presidency and vice-presidency have not been nominated as yet. They will be named at a special congress or an extended Central Committee plenum. By 15 October 1979, however, a national campaign committee should be formed, as well as district and state committees. Just as in the past, the National Committee will be headed by H. Winston. Certain comrades have been singled out and are being relieved of their present duties so that they may head local committees. The party hopes to put its candidates on the ballot in 30 states. Campaign contributions are already being collected.

In a report on party campaign activity, Simon Gerson, member of the Central Committee Politburo, had the following to say about the coming campaign: "The main feature of our struggle and our campaign in 1980 will be agitation for a new, popular, anti-monopoly party, in which the working class will play the leading role and which will be able to effectively oppose the two old parties."



The objectives the CP USA has set for itself in the coming campaign are not simple ones, but they can be attained under present conditions. The party believes that it can win more support for its candidates than ever before in its 60-year history. Moreover, by taking an active part in the campaign, it will be able to considerably increase its membership and the circulation of party publications.

Therefore, the CP USA is 60 years old. It is commemorating this glorious anniversary as a united and cohesive party, firmly adhering to Marxist-Leninist positions. Having defeated the internal enemies who tried to divert it from the correct path and having overcome the difficulties created by reactionary forces, the Communist Party of the United States of America is holding aloft the banner of Marxism-Leninism.

#### FOOTNOTES

1. "XVII natsional'nyy s"yezd Kommunisticheskoy partii SShA" [The 17th National Congress of the Communist Party, USA], Moscow, 1957, p 122.
2. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 20, p 357.
3. Gus Hall, "For a Radical Change. The Communist View," N.Y., 1966, p 66.
4. DAILY WORLD, 23 August 1968.
5. Gus Hall, "On Course. The Revolutionary Process," N.Y., 1969, p 70.
6. WORLD MAGAZINE, 10 June 1972.
7. Gus Hall, "The Crisis of U.S. Capitalism and the Fight-Back," N.Y., 1975, p 6.
8. DAILY WORLD, 21 June 1973.
9. "L. I. Brezhnev's Visit to the United States of America," Moscow, 1973, pp 14-16.
10. POLITICAL AFFAIRS, September 1975, pp 26-27.
11. Ibid., August 1975, p 1.
12. Gus Hall, "The Crisis of U.S. Capitalism and the Fight-Back," p 70.
13. Ibid., p 79.

## MAJOR ARMS LIMITATION ACHIEVEMENT (SALT II TREATY)

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pp 14-23

[Article by A. A. Platonov]

[Text] It is already more than 2 months since the Soviet-American summit meeting in Vienna. However, the results of the talks between L. I. Brezhnev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, and U.S. President J. Carter remain at the center of world public attention. And this is quite understandable, for the treaty between the USSR and the United States on the limitation of strategic offensive arms, along with its associated documents and the Soviet-American joint communique signed in Vienna, represent an exceptionally weighty contribution to the cause of the struggle against the arms race and for lasting peace throughout the world. As the CPSU Central Committee Politburo, USSR Supreme Soviet Presidium and USSR Council of Ministers resolution published 22 June points out, "the Vienna meeting marks an important step forward along the path of improving Soviet-American relations and the whole international political climate. The full implementation of the documents signed in Vienna opens up new possibilities for ending the buildup of arsenals of nuclear weaponry and insuring their effective quantitative and qualitative limitation. The resolution of this task would be a new stage in curbing the nuclear arms race and would open up the way to a substantial arms reduction and to the realization of the highest goal: the total cessation of nuclear weapon production and the liquidation of stocks."<sup>1</sup>

### Contribution to the Detente Policy

The Vienna meeting and its results belong to those events in international life which are in the channel of further deepening the relaxation of tension and reducing the threat of nuclear war.

As is known, the policy of detente did not immediately become established as the determining trend in the development of modern international relations. It required the lengthy and persistent efforts of the Soviet Union and all peace-loving forces in diverse directions. The process of the Western capitalist countries' ruling circles' adaptation to the new realities of

international life and reappraisal of long-established foreign policy values also proved very difficult and at times painful.

The approximate strategic parity between the Soviet Union and the United States was an exceptionally important military-political factor that had taken shape at that time. This meant--taking into account the historically established asymmetries in the structure of the sides' strategic forces--the emergence of a situation in which the military-strategic potentials of the USSR and the United States are approximately identical. In this context it is a question both of an objective process of change in the correlation of forces in the world arena (which is, of course, the most important aspect) and of recognition of this real fact by bourgeois politicians and ideologues.

It can be said that the thesis of approximate strategic parity between the USSR and the United States is now an axiom of modern foreign policy thinking in Western states. Since the established parity extends primarily to nuclear arsenals, Western ideologues--and this, too, is very important for understanding the genesis of the detente policy--drew the conclusion that war involving the use of mass destruction weapons is irrational and suicidal and cannot serve to achieve sensible political aims.

While a professor at Harvard University, H. Kissinger wrote in his work "Nuclear Weapons and Foreign Policy": "Under present or possible future conditions it is hard to imagine a rational aim which could be achieved with the help of a general nuclear war."<sup>2</sup> The British researcher R. Edmonds emphasized in this connection: "At the present time the USSR and the United States have at least one common vital interest, which is to prevent their mutual destruction. This interest is shared by the majority of other states, which would also find themselves in ruins if things went so far as an exchange of thermonuclear strikes between the two superpowers."<sup>3</sup>

The objective changes in the correlation of forces in the international arena, combined with the active foreign policy line of the Soviet Union and the entire socialist community, were the basis of the shift toward easing international tension which became apparent in the early 1970's. A graphic indicator of this shift was the conclusion in 1972 of the Soviet-American treaty on the limitation of ABM systems, subsequently supplemented by a protocol, as well as the interim agreement on certain measures with respect to the limitation of strategic offensive arms. In the opinion of the eminent American historian and diplomat G. Kennan, the signing of the first Soviet-American strategic arms limitation agreements was the most important event within the framework of the detente policy.<sup>4</sup>

The 25th CPSU Congress made a high evaluation of the agreements concluded between the USSR and the United States in the sphere of strategic arms limitation. The report to the congress pointed out that, along with the document "Principles of Relations Between the USSR and the United States" and the agreement on the prevention of nuclear war signed in 1973, they laid a solid political and legal basis for the development of mutually advantageous Soviet-American cooperation based on the principles of peaceful coexistence. The



Congress emphasized that all these accords reduce to a certain extent the danger of the outbreak of a nuclear war.

The conclusion of the ABM treaty and the interim agreement ended the first stage of the Soviet-American strategic arms limitation talks (SALT I). Immediately after this, the task arose of developing the success achieved and advancing further along the path of limiting strategic arms. It was to resolving this question that the second stage of the SALT talks was devoted. They began in the fall of 1972, when the Republican administration headed by President R. Nixon was in power in the United States, and were continued under his successor G. Ford and then under J. Carter's Democratic administration. Thus the SALT II talks took a total of almost 7 years of painstaking work, at various levels, including the highest, where the fundamental decisions were made, and the level of delegations in Geneva, which were entrusted with the detailed elaboration of documents.

The work on the new agreement was not only lengthy but also proceeded under very difficult conditions. Complexities arose, dictated by the very nature of the subject of the talks. What was being discussed was a delicate problem having a direct bearing on both sides' security. There were also difficulties of a different kind, caused by the desire of certain U.S. circles to depart from the principle of equality and identical security and to secure advantages at the other side's expense. This accounts for the uneven pace of the talks and for their occasional downright protraction.

It is known that every new advance on the path of the policy of peace and of lessening the threat of war is made in stubborn struggle against champions of old foreign policy methods who try, as ever, to gamble on the arms race and the use of force to achieve their aims in the international arena. Since the established parity extends primarily to nuclear arsenals, Western ideologues—and this, too, is very important for understanding the genesis of the detente policy—drew the conclusion that war involving the use of mass destruction weapons is irrational and suicidal and cannot serve to achieve sensible political aims.

It is therefore far from accidental that, in the period after the conclusion of the SALT I agreements, the opponents of the detente policy undertook a kind of concentrated attack on the theory and practice of peaceful coexistence among states with different social systems. These forces sought to halt the work on preparing the new agreement and, as far as possible, to wreck the whole business, thereby striking a decisive blow at detente. A ramified propaganda apparatus was used for this, and tremendous financial means were made available.

However, the Soviet-American summit meeting in Vienna demonstrated the tenacity of the policy of easing international tension and the fruitfulness of joint efforts to limit strategic arms on the basis of the principle of the sides' equality and identical security and while maintaining the strategic parity that has evolved between the USSR and the United States.

In this context, special significance is attached to the provision recorded in the Soviet-American joint communique of 18 June 1979 that neither side seeks, or will in the future seek, military superiority, since this could only lead to dangerous instability, giving rise to a higher level of armament and not contributing to the security of either side. The SALT II treaty is aimed at implementing this provision.

#### Imposing Effective Limitations on Quantity and Quality

When studying the SALT II treaty, it is useful to compare it with the 1972 interim agreement on certain measures with respect to the limitation of strategic arms. Such a comparison will graphically show the tremendous step forward in the sphere of arms limitation that was taken in Vienna and the significance of the prospects opened up in this sphere for the future.

Whereas the 1972 interim agreement concerned only two kinds of strategic offensive weapons--land-based ICBM launchers and SLBM launchers--the limitations now extend also to heavy bombers and to "air-to-surface" ballistic missiles [ASBM's].<sup>5</sup> The new treaty establishes that on its validation each side will limit launchers of the said missiles and heavy bombers to a total number that does not exceed 2,400 units.

Here, in contrast to the interim agreement, which "froze" collective ceilings for its entire term at their initial levels, the new treaty provides for a further reduction in the overall ceiling: From 1 January 1981, each side will limit its ICBM, SLBM and ASBM launchers and heavy bombers to a total of 2,250--that is, by comparison with the initial level established for the day the treaty enters into force, there will be a reduction equivalent to 150 units.

Whereas under the interim agreement between the USSR and the United States no limitations on MIRV'ed missiles were envisaged, under the new treaty the situation is different in this field. Limitations on MIRV'ed strategic missiles--that is, essentially qualitative limitations--are one of the characteristic features of the SALT II treaty. What is the essence of these limitations?

Within the framework of the aggregate numbers of 2,400 and 2,250 for each side, the new treaty will establish a sublevel of 1,320, within whose framework the following armaments are included: MIRVed ICBM and SLBM launchers, MIRVed ASBM's and heavy bombers equipped for cruise missiles capable of a range in excess of 600 kilometers.<sup>6</sup>

Within the framework of the sublevel of 1,320 units, each side undertakes not to have more than 1,200 ICBM and SLBM launchers or launchers for MIRVed ASBM's (in other words, in "choosing" a level of 1,200 for the abovementioned armaments, each side would have the right to only 120 heavy bombers equipped with cruise missiles capable of a range in excess of 600 kilometers. An increase in the number of these heavy bombers over and above this quantity could be made only by reducing the number of MIRVed ICBM, SLBM and ASBM launchers, limited within the framework of the aggregate level of 1,320).

In addition, with regard to MIRVed ICBM launchers--within the framework of the aggregate number of 1,200 and, consequently, 1,320 units, the treaty that has just been concluded introduces an additional limit that prohibits either side from having more than 820 units.

The sides have agreed that armaments in excess of the aggregate numbers discussed above must be dismantled or destroyed.

Under the new treaty, reciprocal undertakings which affect limitations on the number of MIRVed warheads on missiles are also among the limitations of a qualitative nature. Thus, under the treaty, an increase in the maximum number with which any ICBM of the relevant type had been flight-tested as of 1 May 1979 is prohibited. This is a sort of "freeze" that restricts the number of MIRVed warheads on missiles to their present level. As for SLBM's and ASBM's, a maximum limit of 14 and 10 MIRVed warheads, respectively, has been imposed for them.

The reciprocal undertaking envisaged in the treaty to not flight-test or deploy new types of ICBM's is unprecedented. The only exception to this rule is the permission for each side to flight-test and deploy one new type of light ICBM. Here the number of warheads which can be installed on missiles of this one permissible type of light ICBM must not exceed 10.

The clause prohibiting the creation of ICBM's with a launch-weight greater, or a throw-weight greater, than that of the heaviest, in terms of either launch-weight or throw-weight respectively, of the heavy ICBM's that have been developed by each side also plays an important part in this treaty. At the same time, the rule, which has been transferred from the interim agreement, banning the conversion of launchers of light ICBM's of the older types into launchers of heavy ICBM's of the types deployed after 1964, is also still in effect.



With regard to ICBM launchers, the treaty envisages a number of additional and most substantial limitations. Thus, in the process of modernizing and replacing ICBM silo launchers, it is forbidden to increase the original internal volume of the silo by more than 32 percent. The treaty bans rapid reload systems for ICBMs and pledges the sides not to supply areas in which these launchers are deployed with ICBMs in excess of a number consistent with normal deployment, maintenance, training and replacement requirements. Here the sides undertake not to provide storage facilities for or to store ICBMs in excess of normal requirements at ICBM launch sites.

As is well known, each side has ICBM and SLBM launchers earmarked for tests and training and spacecraft launchers for researching and using space. These launchers are not included in the aggregate numbers set by the treaty, but with respect to these launchers certain limits are envisaged, aimed at insuring the new treaty's effectiveness and viability.

The ban on a number of new types of strategic offensive armaments envisaged under the treaty is a serious step aimed at curbing the arms race. These armaments include ballistic missiles capable of a range in excess of 600km for installation on waterborne vehicles other than submarines or launchers for such missiles. The treaty bans systems that place into earth orbit nuclear weapons or any other kind of weapons of mass destruction, including fractional orbit missiles, mobile launchers of heavy ICBMs, and SLBMs (and the launchers for these missiles) and ASBMs which have a launch-weight greater or a throw-weight greater than that of the heaviest of the light ICBMs deployed by either side. In addition, there is a ban on fixed ballistic or cruise missile launchers for emplacement on the ocean floor, on the seabed or on the beds of internal waters or in the subsoil thereof and on mobile launchers of such missiles that move only in contact with the ocean floor. Missiles for such launch installations are also banned.

The protocol to the treaty prohibits until the end of 1981 the deployment of mobile launchers for ICBMs and the flight-testing of ICBMs for such launchers.

Like the 1972 interim agreement, the SALT II treaty bans the construction of additional fixed launchers for ICBMs. The relocation of fixed launchers for such missiles is also banned.

The treaty and the protocol also establish limitation on the cruise-missile type of strategic offensive armaments capable of a range in excess of 600km. First, the treaty bans the deployment on heavy bombers of such missiles in a number exceeding 28 and the number of such heavy bombers. Taking into account the limitation on the maximum number of heavy bombers which each party can have, this is in principle tantamount to establishing an overall ceiling on the aggregate number of air-launched long-range cruise missiles. The treaty's clause providing for a ban on flight-testing cruise missiles capable of a range in excess of 600 km (and also ASBMs)

from aircraft other than bombers and on converting such aircraft into aircraft equipped for such missiles also exerts a restraining influence on the arms development process. First, with regard to sea-based or land-based cruise missiles capable of a range in excess of 600 km, their deployment is prohibited for the term of the protocol of the treaty, that is until 31 December 1981. And finally, the sides agreed to ban flight tests of MIRVed air-launched long-range cruise missiles from sea-based or land-based launchers.

Independent and very important significance is attached to the reciprocal undertaking not to circumvent the treaty's provisions through any other state or states or in any other manner. This covers a dangerous channel for the possible undermining or weakening of the establishment limitations and provides a major guarantee of their stability and effectiveness.

As is well known, in accordance with the 30 September 1971 Soviet-U.S. agreement on measures to reduce the danger of the outbreak of nuclear war and the 25 May 1972 agreement on preventing incidents on the high seas and in the airspace over it, there exists between the sides the practice of notifying each other of relevant ICBM launchings. The SALT II treaty provides for a generalizing and more far-reaching undertaking on this score, providing for the timely notification of the conduct of planned ICBM test launches (the only exception to this undertaking consists in single ICBM launches which are planned within the national territory of the particular side). This undertaking is an important step aimed at increasing trust between the sides.

These in general outlines the most important limitations comprising the SALT II treaty and associated documents.

These limitations are based mainly on the trust achieved during the Soviet-U.S. summit talks in Vladivostok in November 1974, which defined the basic parameters of the new treaty and insured a powerful impetus in developing negotiations.

The established limitations are based wholly and entirely on the fundamental principles of the sides' equality and identical security. The new treaty's strict accordance with this treaty is also insured by the fact that representatives of the sides' most authoritative departments, able to verify thoroughly all the consequences of the treaty on the plane of insuring strategic stability and the interests of national security, took a direct part in the specific process of its preparation, which lasted many years.

The principle of equality and identical security is embodied precisely in the entire complex of limitations, in the treaty's provisions taken as a **SYSTEM** [word published in boldface] of undertakings. You only have to attempt to alter one element of the system to disrupt the functioning of the whole mechanism. And this is by no means evidence of any vulnerability

in the treaty. On the contrary, it attests to the thoroughness with which it was prepared and to the accuracy with which it reflects the balance of interests of the sides in the sphere to which it is devoted. The CPSU Central Committee, USSR Supreme Soviet Presidium, and USSR Council of Ministers resolution on the results of the Vienna meeting points out: "The new treaty is built on the principle of equality and identical security and is a just balance of the interests of the USSR and the United States. No deviations from it can be regarded as permissible. The Soviet Union is prepared to implement in their entirety the undertakings it has assumed and proceeds from the premise that the other side will approach this question in the same way."<sup>7</sup>

Hearings on the new treaty have now resumed in the U.S. Senate and should end with a vote (the agreement of two-thirds of the total number of senators is needed for the treaty's ratification). In the course of this work, which began back in midsummer, considerable material has been accumulated testifying irrefutably in favor of the SALT II treaty. At the same time, skeptical and openly dissenting voices are to be heard in Congress.

"Critics" of the SALT II treaty abroad frequently ask: Who gains more from this treaty—the Soviet Union or the United States?

But really, this is a non-issue. The SALT II treaty is equally advantageous not only to both sides but also to all other countries, since it accords with the interests of further easing the danger of nuclear war and reinforcing world peace.

#### Reliable Control

The problem of monitoring the observance of the undertakings which are assumed is traditionally regarded as highly complex in arms limitation and disarmament talks. Of course, it was also raised regarding the SALT talks. Back during the first stage of these talks, as a result of a thorough examination of all aspects of this question and taking into account the specific features of the talks' subject-matter, the sides agreed that control should be implemented by the national technical facilities at each side's disposal. In fact an approach was agreed on providing for the verifiability of the established limitations by national technical monitoring facilities, which was then confirmed by both sides in the "Basic Principles of Talks on the Further Limitation of Strategic Offensive Arms," signed at summit level on 21 June 1973.<sup>8</sup>

Since then, along with the principle of equality and identical security, monitoring by national technical means has constituted the fundamental basis of the SALT talks. In the new treaty it is enshrined in the provisions of Article XV, which points out that each side uses the national technical monitoring facilities at its disposal in such a way that accords with the universally recognized principles of international law.



This question is frequently put: But are such facilities adequate to insure confidence that the new treaty will be strictly observed? There can only be one answer to this: Monitoring of the new agreement's fulfillment is perfectly reliable.

Indeed, both sides have among their national technical facilities space, radiometric and other apparatus capable of obtaining the necessary data to verify the other side's observance of its commitments. At the same time the aforesaid facilities are constantly being improved—which in itself entails an increase in the accuracy of their work.

The treaty also provides for mutual commitments not to jam the other side's national technical means and not to employ deliberate camouflage measures to hamper the monitoring by these facilities of observance of the set limitations. This insures the necessary normal working conditions for national technical facilities to fulfill their monitoring functions.

Speaking of control, I must mention the Permanent Consultative Commission set up in accordance with the Soviet-American intergovernmental agreement of 21 December 1972. Within the framework of the Permanent Consultative Commission, according to the new treaty, the sides will, in particular, examine questions relating to the fulfillment of the adopted commitments, as well as situations connected with this which might be considered unclear; information which each side considers necessary to insure confidence in the fulfillment of the adopted commitments will be provided on a voluntary basis; questions connected with unpremeditated hindrances to national technical monitoring facilities will be examined (if such questions arise, of course). In addition, at the Permanent Consultative Commission the sides will agree on the procedures stemming from the treaty's relevant provisions and will update the agreed initial data on the numbers of strategic offensive arms contained in the 18 June 1979 memorandum on the agreement between the USSR and the United States on the establishment of initial data on the numbers of such arms.

The existing experience of fulfilling the ABM treaty and the interim agreement also attests favorably to the reliability and adequacy of monitoring by national technical means—which is even recognized by the American side, and moreover at official level.

It should be borne in mind that an interest in monitoring observance of the established limitations is no one's monopoly. Both the USSR and the United States are equally interested in strict control, and the verification system provided for under the SALT II treaty, which is based on monitoring by national technical means, insures the sides' confidence in observance of the treaty's provisions and, thus, the additional stability and viability of this document.

The principle of monitoring by national technical means has also been confirmed by the sides with regard to further limitations and reductions

of strategic arms, on which it is planned to agree during the SALT III talks. And no attempts to undermine or shake this principle in one way or another can have any chance of success.

#### Mandate for the Future.

There is no denying that, for all its political and strictly practical weight, the new treaty nonetheless does not mean the competition in the sphere of strategic offensive arms will be halted on its ratification.

But at the same time it is an incontestable fact that, but for the new treaty, there would inevitably be a further escalation of the strategic offensive arms race and a new twist in the spiral with all the ensuing unfavorable consequences for the stability of the strategic situation and a steep rise in military spending. According to H. Brown's estimates, in the absence of the SALT II treaty American military spending would increase by at least \$30 billion over the corresponding period. Thus the new treaty helps to slow down the strategic arms race and, consequently, to improve the international situation. This is its greatest positive potential and constructive role in the world arena. Polemizing with those people in the United States opposed to the SALT II treaty's validation, the well-known American diplomat C. Yost points out in the CHRISTIAN SCIENCE MONITOR that it would be the "height of madness" to abandon the search for mutually acceptable solutions with the Soviet Union, to insist on an unlimited and unrestrained arms race, to increase tension and to provoke confrontation.

The understanding within the SALT II framework not only insures the adoption of effective and far-reaching measures to limit and reduce strategic offensive arms but also insures a basis for further progress in that sphere. At a press conference on 25 June 1979 USSR Foreign Minister A.A. Gromyko pointed out in this connection: "...in a certain sense, the treaty lays a foundation for progress, for elaborating and preparing a new agreement on the further limitation of strategic arms. And therein lies its tremendous value.... For in the end it is necessary to seek to insure that the first reduction is followed by a second, the second reduction by a third, and so forth. This is the start of a process which in terms of seriousness can hardly even be compared with any other process. It is the process of struggle for peace, against war."<sup>9</sup>

The principles and main directions of subsequent strategic arms limitation talks are defined in the joint statement on that issue signed in Vienna. The aims of the subsequent talks agreed on in the joint statement include: significant and substantial reductions in the numbers of strategic offensive arms; qualitative limitations on strategic offensive arms, including limitations on creating, testing and deploying new types of strategic offensive arms and on modernizing existing types; the resolution of questions included in the protocol to the treaty, that is, on ICBM mobile launchers, on sea-and land-based cruise missiles with a range of

more than 600 km, and also on ASBMS. It is further agreed that each side will be free to raise any questions relating to the further limitations of strategic arms. During these talks the sides will also examine, where necessary, further joint measures to strengthen international peace and security and to reduce the danger of nuclear war. The document under consideration also points to such a direction in the subsequent talks as limiting strategic offensive arms which destabilize the strategic equilibrium in the greatest degree, as well as pointing to measures to reduce and avert the danger of a surprise attack.

Naturally—and this is reflected in the joint statement—further talks will be conducted, as before, in accordance with the principle of the sides' equality and identical security.

In this context fundamental significances attached to the fact that, in accordance with the jointly adopted decision, measures to further limit and reduce strategic arms will be implemented taking into account all the factors which determine the strategic situation. On a practical plane this means, in particular, that the success of the future talks is possible only on condition that they discuss the question of American forward-basing facilities, that is, U.S. military bases (both inside and outside Europe) with nuclear arms capable of reaching USSR territory. Equally, during the talks it will be impossible to digress from the factor of the existence of nuclear weapons in third states. It is perfectly obvious that the significance of these and other similar components of the strategic situation will grow under conditions of further quantitative and qualitative limitations on strategic arms. Therefore, it is vitally necessary—in the light of the task of insuring the sides' identical security—to take them into consideration in the overall balance during the subsequent talks.

Thus the decisions adopted in Vienna provide a broad foundation for work in the interests of making further progress along the path of limiting and reducing arms and supplementing political detente with detente in the military sphere, along the path of reducing and ultimately removing the threat of nuclear war. This is why the Soviet-American treaty enjoys the practically universal support of the peoples and governments of different states. The SALT II treaty is at the same time a bridge to the SALT III talks, that is, a bridge to the future.

L. I. Brezhnev declared at the signing of the Soviet-American documents in Vienna on 18 June 1979: "To act to prevent the outbreak of nuclear war—this is the commitment jointly adopted by the Soviet Union and the United States. Today's treaty confirms that we are seeking to fulfill this commitment. In terms of both quantitative and qualitative limitations on strategic weapons it goes considerably further than the SALT I agreement. The validation of this treaty opens up the possibility of embarking on the elaboration of subsequent measures not only to limit but also to reduce



strategic arms. By concluding the SALT II treaty we are taking a big step forward along the path of generally improving Soviet-American relations and, thus, the entire international climate.

"For the Soviet Union this is the logical continuation of the peace-loving foreign policy course determined by our party's congresses, the course which we intend to continue following."<sup>10</sup>

And the Soviet Union is counting on reciprocation from its partners in the talks in this tremendous and important matter.

#### FOOTNOTES

1. PRAVDA, 22 June 1979.
2. H. Kissinger, "Nuclear Weapons and Foreign Policy," Moscow, 1959, p 193.
3. R. Edmonds, "Soviet Foreign Policy: 1962-1973," London, 1975, p 5.
4. FOREIGN AFFAIRS, July 1976, p 686.
5. At present the sides do not have ASBM's in their arsenals. The protocol to the new treaty, which is effective through 31 December 1981, provides for a ban on flight tests and the deployment of ASBM's. Thus the question of including ASBM's in the total numbers established under the new treaty could arise on a practical plane only if this type of strategic offensive weapon is deployed after the expiry of the protocol.
6. According to the definition contained in Article II of the treaty, a bomber equipped for cruise missiles capable of a range in excess of 600 kilometers or for ASBM's is a heavy bomber. The question may arise: How do matters stand with regard to the inclusion of heavy bombers equipped for ASBM's? The treaty contains a clear answer to this too: The heavy bomber itself, equipped only for ASBM's, is not included in the aggregate numbers of 2,400 and 2,250. The corresponding aggregate levels include the ASBM's themselves, calculated as the maximum number of such missiles for which any bomber of this type is equipped for one operational mission.
7. PRAVDA, 22 June 1979.
8. See SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 8, 1973, pp 106-107--Editor's note.
9. PRAVDA, 26 June 1979.
10. Ibid., 19 June 1979.

## THE WESTERN LEADERS' MEETINGS: COMPROMISES AND CONFLICTS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 24-32

[Article by A. I. Utkin]

[Text] The latest meeting of the leaders of the largest Western states took place in Tokyo in June. Against the background of a general historical tendency, which has singled out and isolated three "power centers" in the West, and capitalist rivalry under present conditions due to the changing balance of power, including the balance within the capitalist camp, these meetings clearly reflect the intensification of the centripetal tendency noted by V. I. Lenin in the capitalist world. These annual meetings represent the logical result of the attempts and efforts of ruling circles in the United States, France, the FRG, Japan and other Western powers to reinforce the shaky foundations of capitalism in each individual country and in the world in general and to coordinate their economic and political positions on major issues of the present day.

The tradition of holding these meetings, which can already be called established, is made all the more interesting by the fact that it essentially came about as a result of Western ruling circles' acknowledgment of changes in the world, including the increasingly noticeable breakdowns in the workings of formal economic and political agreements, which can no longer ensure Western unity now that U.S. hegemony within the capitalist world has been undermined.

We should recall that it was in the late 1940's and early 1950's that the North Atlantic Treaty Organization came into being and the American-Japanese treaty that laid bases for the military unification of the West was signed. At the beginning of the 1960's, the Organization for Economic Cooperation and Development (OECD) was created to supplement the General Agreement on Tariffs and Trade (GATT); these were economic forums in which the settlement of trade and financial disputes became possible. Up to the mid-1970's, multilateral and "voluntary" political coordination was virtually replaced by direct U.S. rule within the framework of the abovementioned military and political agreements.

## Prerequisites for Summit-Level Meetings

The situation had changed by the middle of the 1970's. A relative decline in the economic importance of the United States was accompanied by the augmentation of the strength of the Western European and Japanese centers of capitalism. By 1977 the proportions accounted for by the United States and Western Europe in industrial production in the non-socialist world were 37.1 and 35 percent respectively, and Japan's share was 9.9 percent.<sup>1</sup> This meant that the United States' partners could already sit down at the negotiation table with American leaders without feeling "insignificant." At the same time, the total share of the United States, Western Europe and Japan in the capitalist world's industrial production was equivalent to 78.7 percent by the beginning of 1978.<sup>2</sup> The concentration of wealth in the narrow belt of developed capitalist countries explains their desire to preserve the status quo and consolidate their dominant position in the capitalist economy. The privileged position that was common to all three imperialist centers and the simultaneous change in their balance of power within the capitalist system established objective prerequisites for the investigation of various types of "alliances of equals," with consideration not only for U.S. interests, but also the interests of the other two centers. But these prerequisites, which had developed over a period of decades, were not enough. Concrete political and economic stimuli were needed.

These were found primarily in the following factors. In the first place, economic conditions in the West underwent quite dramatic changes in the mid-1970's. The most severe economic crisis of the postwar period caused all three centers of capitalism to undergo considerable regression. The process of emerging from this crisis was prolonged and difficult, particularly for Western Europe. Under the conditions of the decline in production, the possibility that some of the developed capitalist countries would resort to protectionism became a real danger, and this immediately would have started a chain reaction. In order to prevent events from taking this course, statesmen in positions of authority in the main Western countries felt that the organized but flexible, unofficial exchange of views on the highest, "decisive" level would be expedient.

In the second place, forces that had no intention of accepting the existing economic order became much stronger. By the mid-1970's, concerted action by the developing countries and the movement of the non-aligned countries were perfected. This resulted, in particular, in the opposition of the developed capitalist "North" by the developing "South" at the special Sixth and Seventh UN sessions on development in 1975 and 1976. The prospect of independent development in vast areas of the developing world also motivated the leaders of contemporary capitalism to coordinate their actions. Under these circumstances, Western circles that had never before felt the need to participate in summit-level forums took the diplomatic initiative. This applies above all to the French leadership, which believed for a long time (particularly under President C. de Gaulle) that these forums always meant the "sitting of the younger brothers" (allies) "around the eldest"—the United States.



Two factors had the strongest influence on the foreign political strategy of the government of President V. Giscard d'Estaing.

The first was the clarification of the balance of power within the EEC after England's entry. More precisely, Paris' fears that London would find a common platform with Bonn, thereby isolating Paris, were dispelled. It became clear that the government of W. Brandt, and later of H. Schmidt, preferred to work toward deeper Western European integration not in tandem with its "related" Labor Government, but in tandem with its neighbor on the Rhine. This gave the French leadership an opportunity to take a leading position among the members of the "big nine." The close personal relationship between V. Giscard d'Estaing and H. Schmidt also played a role in this.

The second factor that strongly influenced Paris' foreign policy strategy was the military potential of France. Regardless of the variation of integration selected, France will retain strong "trump cards"—its nuclear forces and its position as a world power and a permanent member of the UN Security Council. The existence of a French "zone of influence" in the developing countries and the considerable number of states receiving French assistance and purchasing French weapons must also be taken into account.

At the same time, the crisis of the mid-1970's, which was extremely severe in France and in the rest of the Western European powers, demonstrated the great extent to which the Western European countries are still dependent on U.S. economic policy and strategy, particularly in matters pertaining to energy supplies.

Taking all of these factors into account, Paris took the initiative in the summer of 1975 and convened a meeting in Rambouillet of the leaders of six countries--the United States, France, the FRG, England, Italy and Japan. Particular mention should be made of the fact that this form of negotiation made it possible to include Japanese leaders in the discussion of problems facing the capitalist powers although it has never had any formal political treaty connections with Western Europe.

The allies, in turn, had to consider the fact that Japan's increased economic strength had allowed it to conduct more active diplomacy within the Western world in the mid-1970's: Japan became a member of the International Energy Agency and took part in the so-called "North-South" dialog as an important component of the capitalist "North." All of this made it possible for Japan, probably for the first time in the postwar period, to function as an equal diplomatic partner of the United States and Western Europe and to become an integral part of the West.

#### The Origins of the Tradition

The French proposal was completely in line with attitudes in Washington, since the consolidation of the main capitalist countries had long been one of the primary objectives of American foreign policy. This strategic goal began to acquire particular significance in the mid-1970's.

An increasingly large part of the U.S. political establishment, including the leaders of such organizations as the Trilateral Commission and the Atlantic Council, began to evaluate Washington's current policy line in relations with Western Europe and Japan as one lacking in action and initiative.

The influence of those who regard stronger ties with the allies as the chief foreign policy priority of the United States became stronger in American ruling circles in the mid-1970's. The advocates of consolidation were urged on by the most severe cyclical crisis of the postwar period. In light of the defeat in Indochina, the impending confrontation with the developing countries at the conference on development in Paris (the abovementioned "North-South" dialog) and crisis phenomena on NATO's "southern flank," Washington officials began a search for a strategy to insure the United States against isolation under the conditions of the dramatically changing world situation. The United States discarded the methods of "shock diplomacy" and largely departed from the policy of "arm-twisting"--that is, the policy of forcing NATO allies to make concessions with the aid of the factor of American military presence in Western Europe (the period when the so-called "New Atlantic Charter" was adopted in 1973-1974). After the oil embargo of 1973-1974, Washington realized that any further "uncontrolled" aggravation of conflicts between the three capitalist centers could ultimately result in head-on confrontation--possibly, even military confrontation--with all of the predictable consequences, which would be truly fatal for the capitalist system. The very survival of this system was put to the test as never before. The United States' allies must also have realized this.

Supporting France's initiative, Washington took on the task of drawing up the agenda for the meeting in Rambouillet (November 1975), pointing out the urgent need to avoid the mere discussion of specific problems--as, for example, sudden trade deficits resulting from the rising price of oil--and to concentrate maximum attention on "global" political issues: The elaboration of a common stand in relations with the USSR and other socialist countries and with the developing states, and the search for ways of regulating the most dangerous crisis phenomena within the capitalist system itself.

At the very first forum of the Western leaders, the nature of this kind of meeting was largely established and a formula, which was subsequently used repeatedly, was set: In the first place, the conference was strictly confidential (the heads of state and government were accompanied only by their closest aides) and, in the second place, the participants strove for concrete results in connection with issues which allowed for compromise and only exchanged views on a broad group of basic economic and political problems for the purpose of their later official formulation, if possible.

The meeting in Rambouillet provided examples of the former (the American-French agreement on the currency problem) and the latter (the need to coordinate the policy lines of the capitalist powers in relations with the socialist states and the developing countries was discussed, even if only in the most general terms). The possibility of a leftist candidate's victory in the French presidential elections (held soon after the conference) was also discussed.

Intervention in the internal affairs of Western European countries by American diplomacy and U.S. special services has been common practice since the war. Intervention on the highest level, however, taking the form of leading the discussion about the "stability" and "instability" of the existing social structure in a confined group of capitalist countries, was indisputably a new phenomenon.

The format of this kind of confidential discussion of internal sociopolitical problems in the West became even clearer at the second conference, held in San Juan (Puerto Rico) in June 1976. This time it was a meeting of seven leaders (Canada joined the previous six participants), and measures to prevent communist participation in the Italian Government were planned. It is evident from statements by FRG Chancellor H. Schmidt that the U.S. President made certain agreements on "emergency measures" at this conference, primarily with the head of the FRG Government.

The very fact that the American President looked to the representative from West Germany for support is indicative in itself. Washington's re-orientation toward Bonn, which was so clearly displayed in San Juan, also testifies to the declining influence of London (preoccupied with numerous internal problems) and the advancement of the FRG to the foreground, not only as the banker of the EEC, but also as the leading political force in Western Europe.

No detailed agreement was reached at the meeting, but a "mutual understanding of the complexities" that would arise in the event of communist participation in the Italian Government was recorded. Later events proved that the meeting in San Juan resulted not only in the planning of specific and immediate measures intended for the next sudden "crisis situation," but also the elaboration of a broad and long-range approach by the main conservative forces of contemporary capitalism in the event that one of the links in this system should be weakened. The reinforcement of ties with the right wing and the moderate bourgeois segment of Italian political forces was planned, as well as various measures to assist these forces in Italy to keep the steering wheel of government in their own hands. These measures involved NATO levers, West German bank loans and the reinforcement of the position of the Italian middle and petty bourgeoisie.

A cardinal issue was also discussed in San Juan--the means of developing detente. It was not elucidated in detail, but the United States learned that its Western European partners were disturbed by the slowdown in the strategic arms limitation talks with the USSR and by the particular aspects of U.S. foreign policy that are impeding the cause of detente.

Therefore, although economic problems, such as the search for ways of escaping the economic crisis, the reform of the capitalist currency and financial system and so forth, aroused the most heated debates in Rambouillet and San Juan, problems in political coordination were also discussed, and more intensively at each successive meeting.



At the London meeting (May 1977), the American side was represented by J. Carter, who was known by then as a man who had long supported the "trilateral" concept, aimed at the search for "collective"--but under American supervision--solutions to not only economic problems, but also the political crisis of the West (the erosion of the foundations of bourgeois democracy, the development of factions within the major bourgeois parties and the increasing strength of leftist forces). From the standpoint of the "trilateral" concept, summit-level meetings were considered to be not only desirable but also extremely necessary. The French journal DEFENSE NATIONALE even called these meetings the highest form of "trilateralism."<sup>3</sup> The current American administration is obviously more convinced than ever in the past that the summit-level meetings of Western leaders can serve as a means of their political "alliance": In London, President J. Carter not only advocated regular meetings of this kind on a "trilateral" basis, but also made specific proposals concerning the implementation of this basis. These included the idea of the "three motors," in accordance with which the FRG and Japan are supposed to sharply intensify government stimulation of the economy, increase the workload in industry, elevate production growth rates and thereby increase the power of the three "locomotives"--the United States, the FRG and Japan--which will then pull the currently stationary economy of the allies. This was another of the current administration's typical mixtures of lofty rhetoric and completely mundane, strictly pragmatic goals.

The FRG and Japan, however, quite resolutely objected to the idea of "excessive" economic growth, citing the danger of inflation as their motive. Other countries, particularly the FRG's neighbors in Western Europe (primarily France), sympathized with the U.S. proposal because they hoped to "hitch" their less healthy economies to the "locomotive" of the main industrial country of this region--the FRG.

The contradictions involved in this matter are becoming more pronounced: The Western leaders are obviously unable to resolve them, even though this issue has invariably been on the agenda at each meeting.

President Carter also brought up another important issue at the London meeting: the limitation of the spread of nuclear materials and the trade in weapons. The resulting discussion revealed extremely sharp differences of opinion between the United States on one side and France, supported by West Germany, on the other. The United States called upon the narrow group of its chief allies to institute controls over the transmission of nuclear technology and to limit the spread of plutonium in the world. Most of the participants, led by France (France and the FRG interpreted the U.S. position as an attempt to crowd French and West German monopolies out of the market of profitable transactions like the FRG-Brasilia bargain), implied that their energy needs would not allow them to take the "path of self-restriction." Only Canada took the United States' side.

Therefore, the leading capitalist countries of the West could not agree on two extremely significant issues at the London summit meeting. On the contrary, the meeting was partially responsible for the exacerbation of conflicts.

At the same time, the meeting proved that its participants were striving to attach greater significance to this kind of forum than before. Subsequent meetings moved further away from a simple exchange of views: The element of political debate played a more important part, and more energetic attempts were made to find effective solutions. All of this has increased the importance of the summit-level meetings in the total network of contacts and exchanges within the framework of the capitalist system and has given them the significance of "headquarters" for the elaboration of political and economic strategy.

### Evolution

The fourth meeting, held in Bonn (July 1978), was distinguished by the fact that the Western European countries hoped to strengthen their own position by attempting to act as a united front during the discussion of political strategy. By the summer of 1978, decisions aimed at deeper EEC integration had already been made (on elections to a European Parliament, on the creation of a European currency system and on the acceptance of new members in the EEC) and officials in the Western European capitals realized that if the Common Market nations could speak with "one voice," their position in relation to the United States would be stronger.

The attempts to implement this course at the Bonn meeting were only partially successful. Conflicts within the Common Market prevented the four Western European leaders participating in this meeting from taking a common stand. Nonetheless, the further convergence of the views of the two strongest Western European powers--the FRG and France--could be noted. The French President ignored Washington's attempts to convince him to exert pressure on the FRG for the purpose of achieving a higher West German economic growth rate. It should also be noted that the leaders of France and the FRG came to a bilateral agreement on the creation of a "zone of currency stability" in the EEC a week before the meeting in Bonn.

Washington's position at the Bonn meeting consisted partly in an attempt to keep the other countries from uniting on a "separate basis." Objectively, however, several of Washington's demands (such as its pointed objection to the sale of nuclear power stations by West Germany and France and its overt display of displeasure with the EEC's preferential agreements in the Mediterranean and Africa) motivated the Western European capitals to coordinate their policies.

The conflicts revealed by the Bonn meeting diminished its "stabilizing" influence. The United States' allies again clearly sensed Washington's desire to gain concessions from them and force them to give primary consideration to American views--this time on the conceptual basis of "trilateralism," which, as FOREIGN AFFAIRS put it, in the United States, "at least among the elite, has become virtually an object of consensus in foreign policy-making."<sup>4</sup>

The fact that Western Europe is well aware of this aspect of the American variation of "trilateralism" is also attested to by the following remark in the French journal LE MONDE DIPLOMATIQUE: "'Trilateralism' should be regarded

as a perfected and more diplomatic variation of U.S. leadership in the Western world."<sup>5</sup>

On the whole, the meeting in Bonn will probably enter history as the beginning of the latest stage in the revision of the entire spectrum of intra-Western ties after a time of great burdens for Western Europe (and, to some degree, for Japan), brought about by the economic crisis, the rising price of oil, the collapse of the currency system and the latest "shift" in the redistribution of power in the capitalist world—this time in favor of the United States.

At their most confidential forum in Bonn, the Western leaders dealt mainly with the same problems, but displayed different approaches to their resolution. The Western European participants were less inclined than their American partners to restrict their strategy to the "trilateral" framework. They stated questions more broadly and did not lose sight of such decisive factors of the present era as the socialist world and the need to make major decisions with consideration for the views of the USSR and other socialist countries. Differences of opinion that were more clearly expressed half a year later at the Guadeloupe meeting were already becoming apparent in Bonn.

#### The Reduction of the Group of Participants

The meetings of the Western leaders acquired the nature of an increasingly visible and "businesslike" confrontation of forces and opinions. The elements of melodrama and false optimism almost completely disappeared. Arguments became more heated and views were defended more "aggressively." At the same time, the meetings were assigned increasing importance as a factor contributing to the coordination of the efforts of the developed capitalist countries in the face of global changes, the consolidation of the worldwide socialist system and the solidarity of the developing countries, since it is precisely on these factors that the evolution of world events is depending more and more.

The tendency toward a reduction in the number of participants at these meetings, which had been noted even earlier, was now quite clear. We could recall that even in San Juan, the question of possible communist participation in the Italian Government was discussed by the "most powerful" of the seven "elite." In London, a vigorous attempt was made to separate the three Western states with the most economic power from the weaker ones. The effects of this tendency were apparent at the end of 1978. Once again, just as when the practice of summit-level meetings began, the initiator was France.

In November 1978, President V. Giscard d'Estaing proposed that only four leaders (the United States, the FRG, France and England) meet on the island of Guadeloupe, a French possession. The ostensible reason for this was the planned inclusion of mainly global strategic and political issues in the agenda, so that the presence of Japan, a "purely economic giant," was considered unnecessary.



The Guadeloupe meeting was distinguished by the broad scope of the issues discussed. When the meeting came to an end, Giscard d'Estaing made the following statement: "The purpose of this meeting was to discuss the political and global situation and we did not go into such matters as economic and currency problems." Participants concentrated on a general assessment of the "strategic balance of power" in the world, the correlation between capitalist and socialist forces, the role of the non-aligned countries and the situation with respect to energy supplies, particularly the consequences of the OPEC countries' decision to raise the price of oil for the economies of the capitalist countries, and an assessment of the events in Iran, where the revolution had created, in the opinion of the West, a "vacuum" which "had to be filled" (one of the proposed remedies was the creation of a special expeditionary corps--made up of around 100,000 individuals--to carry out punitive measures in the Persian Gulf zone).

The U.S. President informed the NATO allies about the progress and prospects of SALT II.

It is important to note that the Western Europeans, particularly FRG Chancellor H. Schmidt, had fairly negative comments to make about U.S. attempts to adhere to a "tough line" in these talks. One of the most important results of the Guadeloupe meeting was the lack of understanding and the disapproval expressed in regard to Washington's "power plays." It became obvious that detente had put out deep roots in Western Europe.

During the discussion of SALT II, the U.S. President sounded out the views of the chief Western European countries in regard to a foreseeable problem: The degree to which English and French nuclear weapons should be taken into account during the course of the new strategic arms limitation talks planned for the future--SALT III. Considering the Western European leaders' expressed interest in the rapid conclusion of a SALT II agreement and in the continuation of efforts aimed at the further limitation of strategic weapons, J. Carter promised that the Western European countries would play an important role in the elaboration of a SALT III agreement.<sup>6</sup> This was an obvious concession to the Western European branch of the North Atlantic bloc.

The sale of weapons to the PRC was one of the main topics. This discussion was initiated by the potential sellers--England and France. As for the FRG, it took a negative stand on this matter. Later, Chancellor H. Schmidt said that developed relations with the USSR and the PRC were not of equal value to West Germany, and that the FRG attached more significance to progress in the first direction. In addition, he stressed, England's plan to sell Harrier aircraft to China could have a negative effect on the entire process of detente.<sup>7</sup>

At a meeting of seven Western leaders in Tokyo, held on 28-29 June of this year, energy was the main topic of discussion. The concentration of attention on this problem was due to the measures taken by the United States just before the meeting to subsidize its own oil imports, the negative response of

other capitalist countries to this decision, and the rise in the price of oil from the OPEC countries.

During the course of the Tokyo meeting, two views came into conflict: The Western European countries demanded that ceilings be set for oil consumption up to 1985, but the United States, Japan and Canada preferred that individual import quotas be set for each nation, and only up to 1981. Nonetheless, the leaders of the seven Western countries agreed that parallel efforts would be taken to conserve fuel. A compromise was reached. Despite existing differences of opinion within the "big seven," the "protective" mechanism worked this time as well. In essence, an alliance of oil importers was established, giving them an opportunity to talk to oil exporters from a "position of strength."

On the other hand, the absence of a precise and effective program for the resolution of energy problems attests to the limited nature of the compromise and to the intensity of inter-imperialist conflicts.

Therefore, the meetings of Western leaders for the sincere, unofficial and confidential discussion of major issues of the present day have become a permanent form of intra-Western contacts. Besides this, some developing tendencies can be noted. Above all, the previously noted broader spectrum of topics of discussion deserves further mention. This is developing along a course moving from "purely" economic issues to acute and urgent political problems. The need to overcome budget deficits was the main topic of discussion in Rambouillet, but attention was concentrated on East-West relations slightly more than 3 years later at the Guadeloupe meeting, particularly the strategic arms limitation talks. This development is giving these forums greater political weight and is making them more significant in the total system of relations between the three centers of capitalism.

Furthermore, there has been a noticeable tendency to distinguish between the "higher" and "lower" echelon of these countries. In 1977, the American side tried to single out "three motors," or three "decisive forces"—the United States, the FRG and Japan. With its 1978 initiative, the French side changed the configuration of this first echelon, which is attested to by the composition of the Guadeloupe meeting. Judging by all indications, the present practice will be the most characteristic in the next few years: Meetings of a more confined group (four participants) and of the total group (the "big seven"). At the first type, the discussion of global political issues will most likely prevail, while at the second a broader spectrum of problems, including economic issues, will be examined.

Considering the relative permanence of this phenomenon which "matured" during the second half of the 1970's, the forum for the coordination of policy by the leaders of the West's largest nations, it would naturally be an oversimplification to see it as the long awaited key to the resolution of internal disagreements or an effective means of Western consolidation. An analysis of these meetings primarily attests to the objective nature of inter-imperialist conflicts and corroborates their depth.

The experience that has been accumulated also suggests that the new distribution of forces among the capitalist powers is leaving its mark on these meetings. The Western European center and Japan are acting as the United States' "equals" for the first time since the war. Moreover, making use of their numerical superiority (four of the Western European nations are included in the "big seven"), the United States' partners will be able to form an alliance and create a psychological and diplomatic climate favorable to them. During the course of these meetings, even a partner as closely connected with the United States as Canada and an ally as faithful as England often depart from their traditional loyalty to the United States. For this reason, the principle of consensus has become extremely important in the achievement of effective contacts--the principle of making decisions only after all participants have agreed on a common stand.

The United States now has much less opportunity to take unilateral actions and inform its chief allies of them only after the fact. For this reason, we can assume that the ability of the Western European countries, Japan and Canada to defend their own special interests has increased on the whole.

In general terms, this new mechanism, the forum of the leaders of the largest capitalist powers, can be described as a "protective" mechanism (according to the plans of its initiators), having the purpose, by means of more subtle maneuvering, compromises and maximum coordination of efforts, of counteracting the historical tendency that is weakening the position of the three centers of contemporary capitalism.

#### FOOTNOTES

1. MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, No 8, 1978, p 154.
2. "Ekonomicheskoye polozheniye kapitalisticheskikh i razvivayushchikhsya stran. Obzor za 1977 g. i nachalo 1978 g." [The State of the Economy in the Capitalist and Developing Countries. Overview for 1977 and the Beginning of 1978], Moscow, 1978, p 13.
3. DEFENSE NATIONALE, July 1978, p 47.
4. FOREIGN AFFAIRS, October 1976, p 11.
5. LE MONDE DIPLOMATIQUE, November 1976, p 1.
6. THE WALL STREET JOURNAL, 8 January 1979.
7. Ibid.

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## SOME DISTINCTIVE FEATURES OF CANADIAN ECONOMIC DEVELOPMENT

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 33-47

[Article by L. A. Bagramov and V. V. Popov]

[Text] In line with our policy of publishing materials on Canadian economic issues, we call our readers' attention to this article by L. A. Bagramov and V. V. Popov, in which several fundamental questions of the economic development of this country are discussed. Economists have differing views on some of these issues, and the opinions expressed in this article are the authors' own.

By virtue of its economic development and its position in the system of capitalist world economics, Canada differs considerably from the other Western countries.

On the one hand, this is a highly developed capitalist country with an exceptionally high percentage of hired laborers in the working population and with an exceptionally high level of production and capital concentration. In terms of per capita gross domestic product (gdp), it holds second place among the developed capitalist countries (after the United States, if the actual purchasing power of currencies is compared). Exporting capital on a broad scale, Canada is actively involved in the imperialist struggle for sales markets and sources of raw materials.

On the other hand, it has more obvious features of dependent development than the majority of the other developed capitalist countries: the leading positions in its economy are occupied by foreign monopolies, while the positions of the national industrial bourgeoisie are relatively weak; the extractive branches have been given excessive development while the Canadian processing sector has remained relatively underdeveloped; it is extremely dependent on imports of technology; the development of the national economy is being undermined by regional conflicts. In the system of worldwide capitalist economics, Canada serves primarily as an object of profitable capital investment, a supplier of raw materials and an importer of finished industrial commodities.

## Legacy of the Past

Historical and economic conditions have done much to foster the origination and development of Canadian capitalism. The nation is generously endowed with fertile land, forests and minerals. They have made it possible for Canada to satisfy its own needs for industrial and agricultural raw materials and have served as a source of export income.

Moreover, Canada has not been the site of the kind of devastating wars that have forced other countries decades backward in their development. Both world wars served as powerful stimuli of Canadian economic development. The establishment and development of capitalist relations in Canada were not impeded by the many socioeconomic obstacles characteristic of the European continent. Canada virtually had no need to experience the long and agonizing period of initial capital accumulation. The genesis of bourgeois relations was only slightly due to the process of stratification in the farming class; capitalist relations, as a rule, were brought here "in their final form": capital came from England, and later from the United States, and laborers came from Western Europe.

Immigrants and capital imports have always played a special role in the development of the Canadian economy. At the end of the 19th century, when the store of free land was depleted in the United States, European immigrants began to settle on the "free" lands in Canada on a mass scale. Between 1901 and 1911, immigrants accounted for around 40 percent of all population growth. In subsequent years, this figure dropped somewhat, but in the 1950's it was still over one-fourth of the population increase, and in the 1960's it was over one-fifth. Immigration has caused the Canadian labor force to grow more rapidly than the U.S. labor force throughout the entire 20th century.

As for foreign capital, its role in Canadian economic development has been tremendous, but far from unchanging. Between 1926 and 1930, for example, foreigners financed around 50 percent of net Canadian capital investments, but the figure was around 20 percent between 1946 and 1973.<sup>1</sup> Moreover, with the passage of time, capital imports have been less likely to take the form of portfolio investments, and more likely to take the form of direct investments, with the aid of which the economy has obtained the latest technology and administrative and organizational know-how. This has been an important factor in the acceleration of economic growth, allowing Canada, after World War II, to reach the economic developmental level of the leading Western powers and approach the labor productivity level of the United States. "The export of capital influences the development of capitalism by speeding it up exceptionally in the nations to which the capital is sent,"<sup>2</sup> V. I. Lenin stressed.

There were factors, however, that impeded the development of capitalism in Canada. The first obstacle was its colonial dependence on England. Whereas the United States resolutely put an end to the colonial regime and acquired political independence as a result of the Revolution and War of Independence

(1775-1783), Canada remained an English colony for several more decades. It was only in the mid-19th century that it was given the right of self-government--the right to form a government, accountable to an elected assembly--and it was only in 1867 that the English colonies, united in the Canadian confederation, acquired dominion status. Even after this, however, many ties of dependence bound Canada to its former mother country. Colonialism and the empire's land monopoly, in accordance with which huge tracts of land were granted to the colonial aristocracy, seriously impeded the settlement and industrial development of Canada. The seignorial system in Quebec, which was instituted under French rule, even before Canada had been taken over by England, left a burdensome legacy that is still apparent even today--economic underdevelopment, small peasant farmsteads, the excessive influence of the Catholic Church, etc. The fact that the Canadian economy was geared to fill the raw material requirements of the mother country from the very beginning is of equal importance. "Our foreign trade is bound by restrictive chains,... We have been engulfed and smothered by English industrial goods," the Canadian COLONIAL ADVOCATE newspaper remarked in 1824.

It is precisely here that the causes of the Canadian industrial bourgeoisie's weakness can be found. It was not industrial capitalists who began to dominate Canadian economic and political life, but wholesale merchants, bankers and the owners of shipping, railroad, insurance and telegraph companies.

As we know, as capitalist relations developed, trade capital loses its dominant position in relation to industrial capital. "The independent development of merchant capital," K. Marx wrote, "is inversely proportional to the general economic development of society."<sup>4</sup> Part of trade capital becomes industrial, and the remaining pure trade capital becomes only a unique form of public capital in general.

At the same time, one of the distinctive features of Canadian economic development is that the trade capitalists here, with isolated exceptions, have not become industrial capitalists. As it accumulated, trade capital, with government support, found a place for itself in banks and other financial institutions, in the construction of canals and railroads and in public utilities, but stubbornly remained separate from the sphere of industrial production for reasons listed below. Moreover, having seized many leading positions in government at the time of the Canadian confederation's formation, large banking, trade and railroad companies appropriated, through a system of interest rates, wholesale prices and transport fees, much of the surplus product of national industrialists, most of them small businessmen, and thereby slowed down the development of domestic industry. According to Canadian researcher J. Laxer, the trade and financial bourgeoisie "did more to prevent the development of the processing sector than to promote it."<sup>5</sup> It engaged in middleman operations with foreigners, first with English merchants and industrialists and later with U.S. industrial firms. These operations were both exceptionally profitable and reliable, which was not the case at all in operations with independent Canadian firms. "Instead



of taking the risk of supporting Canada's own industrialists, financial capitalists frequently give their support to more solid and reliable companies from the United States,"<sup>6</sup> prominent Canadian sociologist W. Clement writes.

Therefore, in comparison to the weak domestic firms, foreign companies, generally American, had definite advantages from the very beginning. Coming into Canada with more advanced technology and with organizational and administrative experience, they enjoyed the use of much more abundant sources of capital in the United States as well as in Canada itself.

It is indicative that the Canadian ruling elite not only failed to prevent the expansion of American corporations, but actually encouraged it. The "national policy" proclaimed in 1879 essentially put the sphere of industrial development up for sale to American capital: the protectionist customs duties instituted at that time to prevent industrial commodity imports directly stimulated American corporations to open their own enterprises in Canada. Later, several other measures were also taken to attract foreign capital. After World War II, Canada resembled a gigantic auction for the sale of defense plants and raw material resources to foreigners. This is how the alliance between the Canadian trade and financial bourgeoisie, whose interests prevailed in Ottawa, and U.S. industrial monopolies took shape in the postwar period.

From the very beginning, this was an unequalled alliance. After the American monopolies had seized key positions in the industrial branches, they began to play essentially the deciding role in the entire Canadian economy. In view of the fact that the exclusive status of trade and banking capital was undermined during the course of historical development, the national monopolistic bourgeoisie, representing this capital, lost its special position in the nation's economy and, to a considerable degree, began to serve the interests of American industrial monopolies.

The broad influx of American direct investments, which promoted Canadian economic growth, made the country economically dependent on the United States after some time and began to stifle the development of national enterprise, deform the economic structure, restrict possibilities in the field of research and development, pump financial resources out of the country, etc. Many researchers now agree that domination by foreign capital was the main obstacle in the way of the healthy development of the Canadian economy.

#### Foreign Capital and the National Bourgeoisie

The peculiarities of the Canadian economic system are virtually completely due to its intensive integration with the U.S. system. The participants in the integration process on the North American continent, however, do not enjoy equal status. In terms of dimensions, the U.S. economy is approximately 10 times as large as the Canadian, and American companies, making use of the advantages of their huge domestic market, far surpass Canadian firms in terms

of dimensions and effectiveness. It was natural for the United States to become the leader in the integration process while Canada took on the role of junior partner.<sup>7</sup>

As a result, economic convergence with the United States involved serious sacrifices for Canada, which have left their imprint on virtually all spheres of Canadian economic life. Transnational monopolies, primarily American, control a huge sector of the national economy. Branches and affiliates of American transnational corporations make up, in the literal sense, an American "economic empire" in Canada. The directors and managers of these companies do not make any important independent decisions. In essence, they are only middlemen in the relations between the headquarters of powerful overseas corporations and their Canadian branches; they are only "colonial administrators" who must answer to invisible rulers abroad. Naturally, with rare exceptions, companies controlled by foreign capital have no connections with Canadian financial groups.

Foreign capital's position is particularly strong in industry, where a unique structure of monopolistic organization has taken shape. Powerful foreign monopolies have established large companies in Canadian industry,<sup>8</sup> and these have divided up the relatively narrow local market between them. This had dramatically raised the level of capital concentration in Canada. It is indicative that the highest indicators of concentration are characteristic of branches in which the positions of foreign capital are particularly strong.

In the processing industry, 34 percent of all products are manufactured by branches in which the eight leading companies account for more than 80 percent of the product of each branch (13.7 percent in the United States). Almost half of all the shipments made by the processing industry are accounted for by the 100 largest corporations (in the United States, the 200 leading corporations are responsible for the same percentage of shipments).<sup>9</sup> Moreover, in the majority of industrial branches, American firms are solidly in the lead, relegating all national companies to the ranks of small and medium-sized businesses. According to the research of W. Clement, 46 of the 68 leading companies (for which data are available) making up the top 4 in each of 18 industrial branches are controlled by foreign capital, including 31 controlled by American capital.<sup>10</sup>

Although the American monopolies' enterprises in Canadian industry are not as effective as their "parent" corporations, they are generally much more effective than national firms. For example, in the processing industry, although they are slightly below the level of national enterprises in terms of output per unit of expended materials, their labor productivity level is approximately 1.5 times as high as that of national firms, and their return on capital is 1.2 times as high.<sup>11</sup>

Therefore, the highly concentrated branch is typical of Canadian industry, with large and effective foreign companies on its "top floors," controlling the majority of production (the monopolized sector), and with relatively smaller and less effective national companies on the "bottom floors" (the non-monopolized sector).

Naturally, purely Canadian monopolistic capital is also active in Canadian industry. In several branches, such as ferrous metallurgy, the food industry and the beverage industry, it is firmly maintaining its dominant position; in some other branches (agricultural machine building, the pulp and paper industry and others), Canadian monopolies are competing with foreign monopolies on an equal basis.<sup>12</sup> Several of Canada's own monopolies (for example, Massey Ferguson and MacMillan Blodel) are the leaders in their particular sphere of activity in the capitalist world. But this is not typical of industry as a whole, where Canadian enterprise exists primarily in the form of small and medium-sized corporations, which make up the non-monopolized sector.

National monopolistic capital has essentially been forced into the non-industrial spheres of the economy by American transnational corporations. For example, in transportation, the huge Canadian Pacific Railways corporation holds a monopoly on almost all rail and air transport along with the government-owned Canadian National Railways; the rapidly growing national financial group known as the Power Corporation is active in the public utility sector (as well as transportation and several other branches); the "family" monopolies of the Etons, Westons and others are operating in the sphere of trade. The most influential group of the Canadian monopolistic bourgeoisie is associated with the credit and finance system. This system, particularly the privileged (commercial) banks,<sup>13</sup> represents Canadian financial capital's center of power and largely determines its position in the economy as a whole.

The Canadian banking system is distinguished by an exceptionally high level of concentration: There are only 10 commercial banks in the nation, and the top 5 control more than 90 percent of all assets.<sup>14</sup>

The members of this "big five" are among the most powerful banks in the capitalist world.<sup>15</sup> The dimensions and power of the giant Canadian banks are in sharp contrast to the dimensions and influence of the small national non-financial corporations, and the relationship between these banks and the small and medium-sized companies is usually one of domination and subordination rather than an equal partnership. It is not surprising that the largest Canadian banks have become the centers of national financial groups, uniting many Canadian-owned non-financial enterprises. Famous journalist P. Newman, who has researched this topic, believes that the banks can veto any important decision in the private sector of the economy, and he calls them the "foremost source of non-governmental authority in the nation."<sup>16</sup>



Since the nation's economy has been divided up between Canadian and foreign capital, Canada has a peculiar, or perhaps even unique, type of financial oligarchy, which has lost many key positions in the economy of its own nation and has voluntarily taken on the role of the "junior partner" of the American monopolies. Canadian big business saw these monopolies as the powerful patrons it needed to relieve it of the necessity for independent and risky commercial initiative.

The monopolies in the credit and finance sphere—the leading group of national big capital—actually assisted in the expansion of American transnational corporations in the Canadian economy. It was precisely these monopolies that financed the "sale" of local industry and the establishment of new American branches. Today, just as in the past, their profits depend directly on the growth of American property in Canada. For this reason, they have no intention of impeding this process and prefer to extend loans (with a low level of risk) to American affiliates rather than to Canadian companies.

Groups of the national grand bourgeoisie, operating in other non-industrial branches (transportation, communications, trade and public utilities) are not opposing American expansion either. They have virtually no need to compete with foreign companies; in fact, penetration on a broader scale by American capital increases the demand for their services, on the one hand, and lowers the cost of their means of production, on the other. Even the few Canadian monopolies that are active in industry and, consequently, must compete with powerful foreign firms, almost never display nationalistic attitudes. Because they hold monopolies in their own branches, these corporations are usually strong enough to not be intimidated by foreign competition, and they generally do not need government support in the form of any kind of regulation of the activities of foreign capital in the nation.

The above mentioned Clement feels that "there is no fundamental conflict of interest between foreign capitalists, who control the main industrial branches of the Canadian economy, and the leading national capitalists, who are prospering in the sphere of distribution and other non-industrial branches."<sup>17</sup>

Therefore, during the course of economic development, three groups of the Canadian national bourgeoisie have taken shape. The first—the monopolistic bourgeoisie—is dominant in the credit and finance sphere, trade, transportation, public utilities and some industrial branches. Because it works with American industrial monopolies and derives sizable profits from this, it does not oppose American expansion in Canada. The second group represents an organic part of the foreign sector of the Canadian economy: It is made up of Canadian stockholders and top-level managers in branches of American corporations. This group is more pro-American because its very existence depends directly on the scales of foreign ownership. The third group is made up of small and middle businessmen (the non-monopolized sector). These businessmen, most of whom are Canadian, and particularly those connected

with the processing industry, cannot compete with the transnational giants. They see the American transnational corporations, which have seized monopoly positions in industrial branches and which have lower overhead costs, as the main obstacle in the way of their development. The petty and middle bourgeoisie oppose the expansion of American monopolies and advocate the institution of control over their activity.

### Economic Effectiveness and the Economic Structure

The peculiarities of historical development have led to the creation of a unique sectorial structure in the Canadian economy: It consists of a strong and highly effective raw material sector and a weak and relatively ineffective processing sector.

Despite the convergence of labor productivity levels in the U.S. and Canadian processing industries, the gap between them is still sizable: The Canadian output per worker was equivalent to around 80 percent of the U.S. output in the 1970's. The return on capital at Canadian processing enterprises, as a rule, is just as substantially (30-40 percent) below the American level, and material expenditures per unit of product are usually slightly higher (by 10-15 percent).<sup>18</sup> In general, the integral indicator of production efficiency in the processing sector (output per unit of combined expenditures of labor, materials and fixed assets) in Canada has been equivalent, according to some estimates, to around 80 percent of the U.S. indicator in recent years.<sup>19</sup> The difference between the production efficiency indicators of the two countries is particularly significant in branches of the "secondary processing industry."<sup>20</sup> Moreover, it is indicative that it is not only national companies, but also those controlled by American capital (although these are more effective than the Canadian-owned firms), that have lower efficiency indicators than firms in the United States.

Numerous empirical studies indicate that the main reasons for the low efficiency level of foreign and Canadian firms in the processing industry are the existence of many enterprises of sub-optimal dimensions and the excessively broad assortment of products manufactured by a single enterprise. According to the findings of one study, conducted in 16 branches of the processing industry, enterprises of the optimal size accounted for 43 percent of all production in Canada, and 80 percent in the United States.<sup>21</sup> Even when Canadian enterprises are larger than American firms, they are generally less specialized and, consequently, less efficient.

Many American economists, and even Canadians, blame the existence of the large number of enterprises of sub-optimal size on the high Canadian customs duties on many types of goods, intended to guard the Canadian market against competition from cheaper American products. This deduction is not completely accurate. It is true that protectionist duties make it possible to maintain enterprises with a low level of labor productivity, but they do not make it necessary. It is widely recognized, for example, that the traditionally high American duties on finished industrial commodities have not kept

enterprises with the highest efficiency level in the capitalist world from entering the U.S. processing industry. The fact that this did not happen in Canada can only be explained by the restricted market for the Canadian processing industry, for which American protectionism is more to blame than Canadian. The local market is too small for the Canadian processing industry, and U.S. customs barriers keep Canadian businessmen out of the American market. For this reason, large and highly specialized enterprises must find other overseas markets. Since it is not so easy to penetrate these markets, however, the restricted dimensions of the national market has been the deciding factor, predetermining the low efficiency level in the processing industry.

The small Canadian branch markets for finished commodities are highly monopolized: each branch is generally dominated by less than 10 large companies. Due to the restricted size of the domestic market, an enterprise must usually produce more than 10 percent of total branch output to be of the minimum optimal size. Studies conducted in 12 branches of the Canadian and U.S. processing industries show that an enterprise of the minimum optimal size in the first of these countries must produce, as a rule, at least 15 percent of branch output, whereas in the second country the figure generally does not rise above 3 percent.<sup>22</sup> For this reason, the construction of a new large enterprise in the branch always threatens to disrupt the existing oligopolistic structure and change the balance of power in favor of one of the dominant monopolies or in favor of the new monopoly. Naturally, the dominant monopolies make every effort to prevent changes of this kind. As a result, even for large companies which decide to establish themselves or expand production in a given branch, the savings gained from the operation of an enterprise of optimal size cannot compare to the losses they will incur during the competitive struggle against the organized front of monopolies dominating the branch. In this situation, the investor firm often feels it is preferable to open small enterprises of sub-optimal dimensions, and even more frequently, to open medium-sized and large enterprises, but ones that are widely specialized, manufacturing a variety of different products for various markets. In either case, products are manufactured in small series, and production efficiency is therefore low.

A unique phenomenon has arisen among American affiliates in the Canadian processing sector--miniature duplicate enterprises, which manufacture virtually the same product assortment of their parent companies, although they are several times smaller. Due to this factor, enterprises controlled by foreign capital are generally even less monopolized than Canada's own firms.

The relatively low efficiency level in the Canadian processing sector is the main obstacle impeding its development. The costly products of Canadian enterprises, despite the high and often prohibitive customs duties, cannot compete with the comparatively cheap products coming from the United States. As a result, many branches of the Canadian processing industry are extremely underdeveloped.



It is interesting that in those rare cases when a branch of secondary processing has a chance of working for the broad American market (for example, agricultural machine building and the automotive industry), relatively powerful and effective enterprises spring up. The heightened efficiency here, however, can be the result of the absorption of national enterprises by more powerful American transnational corporations.

The relatively underdeveloped processing sector is the reverse side of the raw materials specialization of Canadian industry. The system of American foreign trade barriers, which restrict imports of finished commodities and favor imports of raw materials, provided an additional opportunity for the circulation of Canada's tremendous natural wealth, and this opportunity was quickly turned into a reality through the efforts of American capital. As a result, priority in Canadian industry has always been assigned to raw materials. Naturally, it would be abnormal for Canada to possess vast raw material resources and not export them. The United States, for example, is still the largest supplier of some types of raw materials in the world market. But Canada's raw material orientation is excessive. The extractive industry accounts for a much greater proportion of industrial production in Canada than in most of the other developed capitalist countries (see Table). Moreover, whereas this proportion has decreased in recent decades in the other nations belonging to this group, the opposite tendency has been apparent in Canada, just as in the developing countries.<sup>23</sup> Most of the product (over 80 percent) of this rapidly growing sector of Canadian industry is intended for the world market. It is obvious that if the processing sector were not "underdeveloped," Canada could process much more of its raw materials locally and would not have to import so many finished commodities from the United States.

It is noteworthy that powerful and quite effective enterprises, making extensive use of the technology brought into the country by foreign capital, have come into being in the raw material branches of the Canadian economy,<sup>24</sup> in contrast to the processing industry. Whereas the restricted size of the market prevents the establishment of large specialized enterprises in the processing industry and makes it impossible to use the advantages of progressive technology to the fullest, this obstacle does not exist in the raw material branches. The effectiveness of enterprises in the extractive industry is comparatively little dependent on their size, and branches for the primary processing of raw materials, for which this dependence is considerable, operate for the world market rather than the limited national market. Labor productivity in the Canadian extractive and power engineering industry, which was approximately 1.5 times lower than in the United States in 1950, had almost reached the U.S. level by the 1970's.<sup>25</sup> The same is true of branches of primary processing, where national and foreign firms are usually no less effective than U.S. firms.

Some Data on the Sectorial Structure of National Economies, 1

	Share of all indus- try in GDP	Share of processing industry in GDP	Share of power and extractive industry in GDP	Share of processing industry in total indus- trial output	Share of extractive and power industry in total indus- trial output
United States (1976)	29	24	5	83	17
Japan (1974)	37	35	2	95	5
FRG (1976)	41	37	4	92	10
France (1976)	30	27	3	90	10
England (1976)	30	25	5	83	17
Italy (1975)	33	30*	4*	88*	12*
Canada (1976)	25	19**	6	76	24
Brazil (1973)	21	19	2	90	10
Mexico (1976)	30	24	6	80	20
India (1974)	16	14	2	87	13

\* 1963.

\*\* It should be noted that the proportion accounted for by branches of primary processing in the total processing industry is much greater in Canada than in other Western countries (in 1975 it was 44.1 percent, while the figure in, for example, the United States was 31.4 percent). "Canada Yearbook 1978-1979," Ottawa, 1979, p 712; "Statistical Abstract of the United States 1978," Washington, 1978, pp 814-819.

"Statistical Yearbook 1977," New York, 1978, pp 718-730.

Therefore, the present-day Canadian economy would seem to be divided into two halves: the processing sector, with its low efficiency level, its dependence on imports and its orientation toward the domestic market, and the extractive sector, with its high efficiency level, its excessive size and its orientation toward the foreign market.

#### Centrifugal Forces

The objective laws of development did not lead to the rise of a strong centralized government in Canada, as they did in other industrial countries of the West. To a considerable extent, this is connected with the existence of two nationalities in Canada—English Canadian and French Canadian. The inferior status of the French Canadians, concentrated primarily in Quebec, has nurtured a nationalist movement in this province for a long time. When the last elections in Quebec (November 1976) resulted in the assumption of power by the separatist Parti Québécois, the very existence of a united Canada was even threatened. But the centrifugal tendencies in the Canadian

confederation are not only connected with the ethnic issue. Regionalism is characteristic of all peripheral provinces in the nation and, in this sense, Canada's position in the Western world is truly unique.

The differences between the federal and provincial governments are largely due to an obvious regional disparity: The monopolistic bourgeoisie of Ontario has always dominated the economies of all other provinces, and relations between Ontario and the nation's outlying regions have long been essentially the relations between a mother country and its agrarian and raw material periphery. Ottawa's discriminatory transport and customs policy (backed up by the trade and financial capital of Central Canada, particularly the Ontario business community) toward the Atlantic and Prairie provinces delayed their industrialization and comprehensive economic development for many years. Even now, the sectorial structure of the economy in the peripheral provinces is heavily weighted in the direction of the raw material branches in comparison to the economic complex of Central Canada. In the provinces on the Atlantic coastline, per capita income is now approximately only two-thirds of the Ontario figure, but the level of unemployment is twice as high: Until just recently, the first of these indicators was also lower in the Prairie Provinces than in Ontario.<sup>26</sup>

The regional disparities and the related inferior status of peripheral regions in the confederacy have always given rise to serious conflicts between Ottawa and the eastern and western provinces. But they have never given rise to centrifugal tendencies as strong as those of recent years. The economic basis of the provinces' current regional aims is the territorial disintegration of the Canadian economy, which has given rise to the development of regional groups of the bourgeoisie with fundamentally different economic interests.

The extremely uneven distribution of productive forces throughout the nation is characteristic of the present regional structure of the Canadian national economy: The processing industry (over 80 percent) is mainly concentrated in the central region (Ontario and Quebec), while the raw material branches (over 50 percent) are located primarily in the Canadian West. In this situation, the differing interests of the two regional groups of the Canadian bourgeoisie, one of which rests on the raw material sector while the other rests on the processing industry, essentially determine the interrelations between Canadian economic regions.

The bourgeoisie of the extractive branches, with its close connections with American capital and the American market, actually dominates economic and political life in the western provinces. Alberta, for example, is dominated by American transnational corporations exporting oil and gas to the American Northwest and Midwest, and the views of the provincial government are almost always colored by the "continentalist" interests of American oil monopolies. British Columbia also has close ties with the United States: The American monopolies operating in this province export its mining and lumber resources to the South. The same orientation is characteristic, although to a lesser



extent, of the Atlantic provinces. It is understandable that the bourgeoisie in the peripheral provinces favors the eradication of all obstacles in the way of Canadian-American integration. It has an interest, on the one hand, in American investments for the working of local natural resources and in their unimpeded export to the United States and, on the other, in duty-free imports of cheaper American finished commodities (instead of the costly goods shipped from Ontario and Quebec).

The regionalism of these provinces contradicts, above all, the interests of the Ontario bourgeoisie, which is primarily connected with the processing sector and is least inclined to hand Canadian natural resources over to the United States. It is striving to use the raw material resources of the Canadian West in the interest of its own development and also has an incentive to maintain high import duties to protect the entire Canadian market for finished commodities against competition from American goods.<sup>27</sup> Naturally, the bourgeoisie in the Ontario processing industry, for which natural resources and sales markets for finished commodities in the "raw material" provinces are of vital importance, insist on keeping Canada strong and united. It is precisely with Ontario that the centripetal tendencies in the Canadian confederation are connected, and federal government policy primarily reflects the interests of this part of the nation, which is Canada's most highly developed region in the economic sense.

In this way, the process of Canadian-U.S. integration is promoting the "regionalization" of the national economy, strengthening Canadian-American ties and weakening interregional ties within Canada. "The Canadian economy," an official Canadian publication notes, "is integrated to a limited extent along the East-West line. To a considerable degree, it is still an association of regional economies, some of which are bound by stronger ties to the southern mother country than to the rest of the nation."<sup>28</sup> In this situation, it is not surprising that the interests of various provinces diverge, not to mention the interests of the provincial and federal governments.

Events in the 1970's gave rise to a new exacerbation of the conflicts between the "raw material" provinces and the federal government, backed up by the industrial bourgeoisie of Ontario. The raw material and energy crises, particularly the rising prices of products of the extractive industry, considerably strengthened the position of the western periphery, which had occupied a position subordinate to the central region for a long time. The increasing demands of the bourgeoisie in the western provinces led to serious conflicts with Ottawa in the area of energy policy, the distribution of income derived from the sale of raw materials<sup>29</sup> and other issues.

### The Role of the State

One important feature of the development of Canadian capitalism is the exceptionally widespread intervention by the state in economic life. From the very beginning, the development of bourgeois relations in Canada invariably took place under the conditions of strong government support. In contrast

to the bourgeoisie of the old Western European powers, which took shape in the struggle against feudalism, involving the revolutionary destruction of the conditions of serfdom that were impeding its development, and in contrast to the U.S. bourgeoisie which established itself as a class in the revolutionary War of Independence and in the struggle against slavery, the Canadian bourgeoisie came into being and evolved as a result of purposeful policies, conducted at first through the institutions of the English colonial administration and later through the dominion's machinery of state.<sup>30</sup>

The establishment of land companies that escalated the price of land, kept new settlers from engaging in agriculture and thereby stimulated the formation of an army of hired labor; loans, subsidies, endowments of land and free shipments of construction materials to railroad companies, which gave birth to several industries; the support of private banks, the establishment of royal (state) corporations--all of these were links in the long chain of government measures contributing to the development of Canadian capitalism. As researcher L. Panitch stresses, widespread government enterprise in the sphere of railway transport and electrical power engineering existed "long before the beginning of capitalism's monopolistic phase developed this government function to such scales in the other, more developed capitalist countries."<sup>31</sup>

This kind of widespread government intervention was the result of contradictions common to the entire capitalist system and specifically Canadian contradictions. The weak Canadian bourgeoisie had to look to the government for support much more often than the American bourgeoisie to carry out large-scale economic projects, to settle and develop vast territories, to establish an infrastructure, to develop scientific and technological bases and new economic branches of strategic importance, and to alleviate the pronounced economic disparities between various parts of the nation. A special role was played by the constant threat of expansion by the United States, which was developing more quickly.

State regulation now plays a much more important role in Canada than in the United States, although it is not as highly developed as in several Western European countries. Government enterprise is more widespread than in the United States. Enterprises owned by the federal and provincial governments control 19 percent of all the assets of non-financial corporations. Many of the branches of the infrastructure, whose development is beyond the capabilities of Canada's relatively weak national capital, are controlled by the state: 70 percent of the railroads, the St. Lawrence waterway and a considerable percentage of all air and motor transport; state electric power stations produce more than 70 percent of all electric energy; state enterprises also have a large measure of control in the spheres of municipal services, communications, television and radio broadcasting and others. Almost one-fourth of the total assets of credit and finance institutions are government funds. Government enterprise has undergone vigorous development in several branches of the extractive industry, particularly in recent years.

Government expenditures account for more than 40 percent of the gnp (in the 1970's this indicator was constantly higher in Canada than in the United States). In particular, the government pays around half of all research and development costs, and most of the government funds are used in government scientific centers. The state policy of subsidizing various branches of industry, its regional economic policy, its policy of stimulating foreign economic ties and others have been considerably developed.

The scales of government intervention in the economy have grown quite dramatically in recent years. State regulation of economic processes is being regarded more and more in Canada as an instrument for the control of foreign investments, the promotion of national enterprise, the reorganization of the dependent branch structure and the guarantee of harmonious development in various parts of the nation.

### Two Tendencies

Since virtually all spheres of Canadian economic life are strongly influenced by the United States, Canada's economic development depends primarily on the status of U.S.-Canadian relations. These relations, in turn, depend on the effects of two forces, or two tendencies, coloring capitalist interrelations in general. One of these is the tendency toward the internationalization of economic life, toward economic integration. Under the influence of this tendency, the intermingling, interpenetration and interdependence of American and Canadian economic complexes will progress with the passage of time. The other tendency is connected with inter-imperialist conflicts. Canadian monopolistic capital does not oppose economic convergence with the United States and is even insisting on it in the hope of changing the conditions of economic integration to its own benefit, in such a way as to guarantee itself a higher percentage of the profits. In their program, the Canadian communists stress the following: "The conflict between Canadian and American capital for control over the Canadian economy is the most important element of imperialist conflicts in Canada. The aim of this struggle is not the restoration of Canadian independence, but the attainment of maximum profits for Canadian monopolies. It reflects the increasing rivalry for the major portion of profits derived from the intensive exploitation of the Canadian working class."<sup>32</sup>

At the same time, it should be noted that U.S.-Canada relations are also influenced by the views of large segments of the Canadian public—workers, the middle strata and even the middle bourgeoisie; that is, all of the categories which are suffering the effects of American capital's dominant position and are therefore speaking out more and more resolutely in favor of genuine independence for Canada. The reinforcement of Canada's economic position and its comparatively rapid economic development has been promoted by the increasing national awareness of millions of Canadians with an increasing desire to preserve national uniqueness.



By the 1970's, Canada was in a much stronger economic position in relation to the United States. The gap between their levels of economic development had diminished: Whereas Canada's per capita gross domestic product was equivalent to 72.1 percent of the U.S. product in 1950, the figure had reached 81.6 percent by 1970 and had risen to almost 90 percent in 1976.<sup>33</sup> Labor productivity in the Canadian extractive and power industry reached the American level; in the processing industry, the difference between levels of labor productivity also decreased, although less substantially. Heightened production efficiency, as well as the raw material crisis of the 1970's, which elevated world prices on raw materials, made it possible for Canada to considerably strengthen its position in foreign commodity and capital markets. Its balance of trade has been positive since 1961. Moreover, Canada, which had a deficit in its trade with the United States throughout most of its history, had a positive balance in this trade in 1970-1974 and 1976-1978. Since 1973, exports of Canadian capital in the form of direct investments have invariably exceeded the foreign direct investments entering Canada each year. Foreign control is somewhat weaker in the Canadian economy.

These new conditions provide Canadian monopolies with greater opportunities for trade with partners from the United States. While Canadian financial capital is still pursuing narrow and selfish goals, broad segments of the Canadian public, as well as small and middle businessmen, who are being stifled and smothered by American "big business," have begun to actively oppose the dominant position of American monopolies and the sale of Canadian natural resources and are fighting for economic independence and the "Canadization" of national life. This left its mark on the political course announced by Ottawa in the early 1970's, which, in the words of M. Sharp, then secretary of state of external affairs, was intended to "weaken the Canadian economy's vulnerability to external factors, particularly the influence of the United States, and strengthen our (Canadian) ability to attain basic Canadian objectives and develop a stronger sense of nationality."<sup>34</sup>

For the purpose of implementing this course, emphasis was placed on the diversification of foreign political and economic ties and certain measures were taken to control the activities of foreign capital and stimulate national enterprise. The steps taken in this direction, however, were timid and inconsistent and they frequently alternated with steps backward. The reason for this inconsistency lies in the very nature of Canadian monopolistic capital, which is, as has been pointed out, completely satisfied with the role of the United States' junior partner. When economic conditions in the nation deteriorated and the separatist victory in Quebec threatened the division of Canada, the Canadian monopolies launched a vigorous campaign to convince the public that the nation could not allow itself the "luxury" of nationalism, that the doors should be opened wider to foreign capital in the interest of economic recovery and that a policy of closer economy integration and political cooperation with the United States should be instituted.

All of the latest events indicate that the struggle between these two tendencies will continue to determine the contents of economic and political processes in Canada in the future.

#### FOOTNOTES

1. I. Brecher and S. Reisman, "Canada-United States Economic Relations," Ottawa, 1957, p 96; "Canada's International Investment Position, 1971-1973," Ottawa, 1977, p 60.
2. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 27, p 362.
3. Quoted in: S. B. Ryerson, "Unequal Alliance," Moscow, 1970, p 74.
4. K. Marx and F. Engels, "Collected Works," vol 25, pt I, p 360.
5. Quoted in: "The Political Economy of Dependency," Toronto, 1973, p 29.
6. W. Clement, "Continental Corporate Power. Economic Linkages between Canada and the United States," Toronto, 1977, p 79.
7. For a more detailed discussion, see the article by T. V. Lavrovskaya in issue No 3 of our journal for 1978—Editor's note.
8. At present, for example, the assets of foreign firms in the processing industry are approximately 6.4 times as great on the average as the assets of national firms. "CALURA, Report for 1974, Part 1—Corporations," Ottawa, 1977, pp 114-117.
9. "Foreign Direct Investment in Canada," Ottawa, 1972, p 217; "Industrial Organization and Concentration in the Manufacturing, Mining and Logging Industries, 1970," Ottawa, 1975, p 15.
10. A. Clement, "The Canadian Corporate Elite. Analysis of Economic Power," Toronto, 1975, pp 400-428.
11. "Domestic and Foreign Control of Manufacturing Enterprises in Canada, 1972," Ottawa, 1977, p 11. "CALURA...", p 44.
12. In electrical power engineering, production is concentrated mainly at government enterprises.
13. Commercial banks in Canada are called privileged because they function on the basis of charters issued by the government.
14. The number of privileged banks decreased from 51 in 1875 to 37 in 1900 and 10 in 1931.

15. By the beginning of 1976, Canadian banks had 280 branches, offering every type of banking service, and 4,500 agencies abroad; their assets in foreign currency totaled 26 billion dollars. The "big five" banks belong to the leading international bankers' associations.
16. P. Newman, "The Canadian Establishment," Toronto, 1975, p 90.
17. W. Clement, "The Corporate Elite, the Capitalist Class, and the Canadian State," in the book: "The Canadian State: Political Economy and Political Power," Toronto-Buffalo, 1970, p 246.
18. E. West, "Canada-United States Price and Productivity Differences in Manufacturing Industries," 1963, Ottawa, 1971, p 45.
19. Ibid., pp 43, 45; "Canada-United States Relations. Volume II. Canada's Trade Relations with the United States," Ottawa, 1978, p 18.
20. In Canadian statistics, these branches generally include the rubber, textile, knitwear, clothing, furniture and printing industries, metal-working, machine building, the electrical equipment industry and the chemical industry.
21. CAPITALIST MANAGEMENT REVIEW, Vol XVI, No 4, pp 93, 94.
22. REVIEW OF ECONOMICS AND STATISTICS, May 1973, p 141.
23. S. I. Dorofeyev, "Strukturnyye izmeneniya i tempy rosta v kapitalisticheskikh stran" [Growth Rates and Structural Changes in the Capitalist Countries], Moscow, 1974, p 186; MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, No 1, 1973, p 154.
24. The raw material sector of Canadian industry includes the extractive industry, electrical power engineering and branches of the primary processing industry (the food, beverage, tobacco, leather and timber industries, woodworking, petroleum refining, the coal-tar chemical industry, ferrous and nonferrous metallurgy and the production of items from non-metallic minerals).
25. MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, No 4, 1973, p 156.
26. The raw material crisis that broke out in the 1970's resulted in the rapid growth of the revenues of three western provinces—Alberta, British Columbia and Saskatchewan.
27. This last statement does not apply to the leading branch of Ontario's economy—the automotive industry, which, as we know, is almost totally controlled by the American giants and has enjoyed duty-free customs status since 1965. At the same time, these monopolies (the "big four") favor the retention of high import duties on Western European and



Japanese motor vehicles (these duties are now higher in Canada than in the United States), which is arousing the dissatisfaction of other provinces.

28. INTERNATIONAL PERSPECTIVES, March-April 1976, p 25.
29. For a more detailed discussion, see the article by I. B. Runov and A. I. Cherkasov, "Canada's Energy Policy," in issue No 10 of our journal for 1978—Editor's note.
30. The 1837 uprising, which had the characteristics of a bourgeois democratic revolution, suffered a defeat due to the immaturity of the national bourgeoisie and the weakness of the proletariat. Bourgeois reforms were handed down to the Canadian class of capitalists from above and were extremely limited in their nature.
31. L. Panitch, "The Role and Nature of the Canadian State," in the book: "The Canadian State: Political Economy and Political Power," Toronto, 1977, p 14.
32. "The Road to Socialism in Canada. The Program of the Communist Party of Canada," Toronto, 27-29 November 1971, pp 8-9.
33. MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, No 5, 1979, p 154. The comparisons are made in terms of the actual purchasing power of currencies in 1970 prices.
34. INTERNATIONAL PERSPECTIVES, autumn 1972, p 17.

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CSO: 1803

RUSSIAN NAVAL VISIT TO THE UNITED STATES IN 1871-1872

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 48-58

[Article by G. P. Kuropyatnik]

[Not translated by JPRS]

CSO: 1803

## LASTING PROGRAM OF SECURITY AND COOPERATION

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 59-63

[Article by V. S. Shein]

[Text] Although the 4 years that have gone by since the Conference on Security and Cooperation in Europe have constituted a short period of time, it has been long enough to judge, on the basis of concrete fact, the actual significance of this event and the attitude of individual countries party to the agreements that were concluded in the capital of Finland by the leaders of 33 European States, the United States and Canada and were recorded in the Helsinki Final Act. Now it can be quite definitely said that despite the predictions of skeptics and the efforts of Western opponents of detente, the all-European conference played an exceptional role and became a turning point in the development of international relations in Europe.

The conference in Helsinki, which was convened after lengthy and intense preparatory work on the initiative of the socialist countries, was a historic event. At this conference, the political consequences of World War II were summed up, the inviolability of existing borders on the continent was confirmed, and new opportunities were created for advancement toward lasting peace and security, international detente and cooperation by various countries on the basis of the principle of peaceful coexistence. The Final Act has become a kind of charter of peaceful coexistence, in which the fundamental principles of intergovernmental relations are set forth: sovereign equality and respect for the rights inherent in sovereignty; the avoidance of force or the threat of force; the inviolability of borders; the territorial integrity of states; the peaceful settlement of disputes; nonintervention in internal affairs; respect for human rights and basic freedoms; equality and the right of people to decide their fate; cooperation between states; and the conscientious fulfillment of obligations in accordance with international law.

The Soviet Union has invariably highly commended the all-European conference and its Final Act. Most of the other participating countries have taken the same stand. "No one is now disputing the fact that the political climate in Europe improved as a result of the conference, and a solid basis was established for progress in various spheres of cooperation," L. I. Brezhnev said



on a Hungarian television program in June 1979. "We believe that the Final Act must be treated with care and must be implemented more and more completely. It is only in this way that we can forever put an end to the wretched chapter of European history connected with the cold war and consolidate detente."

During the time that has gone by since the meeting in Helsinki, the Soviet Union and the other socialist countries have done a great deal to implement the provisions of the Final Act, consolidate security and develop cooperation on the European continent and overcome the obstacles impeding the improvement of relations between the European states. "Experience has proved," the declaration of the Warsaw Pact nations of 23 November 1978 noted, "that the long-range program for European security and cooperation, which is embodied in the Final Act of the all-European conference, accurately defines the main areas of positive action in the interests of peace and sets reliable guidelines for this kind of action."

Changes in Europe are attested to by many facts. One of the most important is the change in the political interrelations between the Eastern and Western European countries. Contacts and consultations between governments and reciprocal visits by leaders have become regular practice. They are contributing to the development of egalitarian, mutually beneficial international cooperation, including long-term cooperation. This applies completely to the Soviet leaders' meetings with leading Western statesmen and politicians, particularly L. I. Brezhnev's talks with French President V. Giscard d'Estaing and FRG Chancellor H. Schmidt.

In addition to broader political contacts between the states participating in the all-European conference and their better understanding of one another's positions, views and vested interests, the economic ties between them are also becoming more stable. For example, after the conference, the USSR signed around 30 agreements and programs involving economic cooperation with Western European countries. Last year, the Soviet Union's commodity turnover with the Western European states totaled around 15 billion rubles. Trade and economic relations with 13 countries in Western Europe are being built up on the basis of long-range programs. New possibilities have been revealed for mutually beneficial scientific and technical contacts, and cultural exchange is becoming richer and more varied in content.

All of the participants in the Belgrade meeting confirmed their willingness to continue the process begun by the conference in Helsinki. In Belgrade, agreements were reached on the institution of multilateral measures in regard to some specific issues (conferences of experts for the elaboration of a method acceptable to all nations for the peaceful settlement of disputes, preparations for an all-European scientific forum, and conferences of experts on economic, scientific, technical and cultural cooperation in the Mediterranean zone), as well as the organization of the next meeting of representatives of the states that participated in the all-European conference in Madrid in 1980.

Nonetheless, considerable difficulties still stand in the way of lasting peace and security. Influential forces in the capitalist countries are trying to undermine the materialization of detente and, above all, to prevent the attainment of the main objective--the curtailment of the arms race and the achievement of real results in the field of disarmament. Intrigues of this kind on the part of detente's enemies must be resolutely repulsed.

The need to struggle for the implementation of the Helsinki agreements is all the more urgent in view of the considerably increased activity of reactionary forces in the Western countries in recent years, the intrigues of the NATO militarists, who are striving to undermine detente in one way or another, and the inconsistency of the governmental policies of some capitalist states that participated in the conference.

This applies, in particular, to the noisy campaign launched by Washington "in defense of human rights," which are allegedly being violated in the socialist states. During this process, the provisions pertaining to humanitarian questions in the Final Act were not only artificially over-emphasized, but also distorted. This motivated the already active imperialist reactionary forces to band together against the supporters of detente in Europe. The results of the all-European conference became the target of fierce attacks, which were overtly expressed even at the Belgrade meeting.

Reactionary circles in the United States set forth the "idea" of U.S. renunciation of the Helsinki Final Act. "In view of the fact that the Helsinki agreement was a 'declaration of intent' rather than a treaty," the NEW YORK TIMES stated, "whatever was done by a stroke of Ford's pen could be completely undone by a stroke of Carter's pen."

Statements of this kind reflected the intention of forces hostile to detente to endanger the cause of lasting peace, security and the development of international cooperation and reversed the process of the improvement of international relations. The same goal is being pursued by the organizers of the campaign against the notorious "Soviet threat," who are now quite active in the United States and Western Europe.

Under the cover of anti-Soviet propaganda, Washington and its NATO partners are continuing to escalate the arms race. Additional sums totaling tens of billions of dollars have been allocated for various short-range and long-range NATO military programs. At a session of the NATO Council in Washington in May of last year, a decision was made to increase military appropriations by 80 billion dollars "in excess of the planned amount" in the next 10-15 years and to strive for an annual real increase of 3 percent in defense budgets. The pioneer in this field was the United States, which plans to increase its own military spending to 138 billion dollars in 1980.

At the same time, instead of helping to turn Europe into a safer part of the world, the United States is stimulating the arms race in the Western European NATO countries. The Pentagon is planning the modernization of nuclear potential in Western Europe and hopes to deploy a "Eurostrategic" weapons here--the "Pershing-2" missiles, which would constitute a direct threat to the

USSR, as well as land-based cruise missiles. The American militarists have not forgotten their plan to deploy the neutron bomb on the European continent, and the "basic components" of the bomb are now being produced in the United States. These U.S. and NATO measures, aimed at ensuring the West's military "superiority" to the socialist countries, are contrary to the spirit and letter of the Helsinki Final Act and are inconsistent with the need for stronger security in Europe.

Real security on the continent can only be achieved through the extension of detente to the military field and through the implementation of the famous provision in the Final Act concerning the need to take effective steps to minimize military confrontation and to promote disarmament. "Europe," L. J. Brezhnev recently stressed, "which once laid the basis for the process of political detente, can and must set an example in the accomplishment of military detente." Unfortunately, up to the present time, the NATO countries, especially the United States, have not only failed to express any willingness to take effective steps to lower the level of military confrontation on the continent, but, on the contrary, have feverishly built up their weapons supplies, thereby complicating the situation within Europe and beyond its boundaries. Washington and some of its bloc partners actually object--as was the case, for example, in Belgrade--to the very discussion of many aspects of military detente (U.S. representatives at the Belgrade meeting opposed the plan to convene a conference of experts on military detente).

The attitude of the West toward military detente in Europe is also being clearly expressed at the talks on the limitation of armed forces and arms in Central Europe. Up to the present time, the NATO countries have not been prepared to work out mutually acceptable agreements. The West has not made any serious response to the constructive proposals made by the socialist states on 8 June 1978 or their proposals of 30 November 1978 and 28 June 1979. At the same time, progress in the Vienna talks would aid considerably in the improvement of the political climate on the European continent and in the implementation of the provisions of the Final Act of the all-European conference.

The refusal of the NATO countries to decide or even discuss many questions connected with military detente in Europe is also impeding the development of cooperation between the East and West in economics, science, technology, culture and other areas. As a result of the actions of the Atlantic politicians and strategists, which are frequently camouflaged by long-winded statements about factors of a "moral nature," the people of the Western European countries, the United States and Canada are suffering, since military expenditures are seriously exacerbating difficulties in the capitalist economy.

Under present conditions, the only intelligent step, consistent with the vital interests of all nations, including the non-European countries, would be the renunciation of the arms race and total compliance with the Helsinki agreements. The possibility of this kind of reversal in the development of the European situation is attested to, in particular, by the success in the



extremely lengthy and difficult Soviet-American SALT II negotiations. At a meeting between General Secretary of the CPSU Central Committee and Chairman of the Presidium of the USSR Supreme Soviet L. I. Brezhnev and U.S. President J. Carter in Vienna in June 1979, the main result of which was the signing of the SALT II treaty, the leaders of the two countries also exchanged views on the state of affairs in Europe. The positive changes that have taken place there in recent years were noted with satisfaction, and the great significance of the Helsinki Final Act was underscored. "Both sides," the joint communique states, "agree that the continuation of the process begun by the all-European conference is important for the promotion of security and cooperation in Europe. They emphasized the need for total compliance with all of the provisions of the Helsinki Final Act." The USSR and United States also resolve to take all necessary steps to ensure that the projected 1980 meeting in Madrid for participants in the all-European conference will be constructive and productive. The international public, particularly the Europeans, saw this as a promising indication of possible progress in the intensification of security and cooperation in Europe.

Before the necessary steps can be taken, it will naturally be necessary to overcome the artificial obstacles set up by the opponents of detente in the United States. These individuals, as we know, are trying to prevent the ratification of the SALT II treaty, they just recently imposed new discriminatory restrictions on trade with the socialist countries and they are actively supporting the decision to deploy the so-called "rapid response corps" for its transfer to the "world's hotspots" and the increase in allocations for the "modernization" of the subversive "Radio Liberty" and "Radio Free Europe" stations.

As for the Soviet Union and the other socialist countries, they are consistently working toward the development of friendly cooperation in Europe and toward lasting peace on this continent. Their proposals aimed at this goal envisage the following in particular: the conclusion of an agreement by all states participating in the all-European conference on no first use of nuclear and conventional types of weapons; broader measures to promote stronger trust between states in the spirit of the Final Act of the all-European conference; an agreement on the non-expansion of military and political groups in Europe; the restriction of levels of military exercises; the extension of safeguards to the Mediterranean zone; the organization of a conference on the political level with the participation of all European states, the United States and Canada to discuss the minimization of military confrontation in Europe.

The proposals of the socialist countries, which envisage effective steps to promote deeper detente on the European continent and to supplement political detente with concrete measures in the field of military detente, have not only been unanimously supported by the people of these countries, but are also evoking an increasingly positive response from broad segments of the population in Western Europe, the United States and Canada. The complete fulfillment of all provisions of the Final Act of the all-European conference and the implementation of socialist initiatives would result in the resolution of the urgent problems of detente and disarmament and aid in



turning Europe into a continent of lasting peace and peaceful cooperation by states with different social structures.

The Soviet Union regards the results of the conference as more than the necessary political conclusion of World War II. They have also led to the interpretation of the future in relation to the realities of the present day and the centuries-old experience of the European people.

Here, in Europe, aggressors have repeatedly crowned themselves with dubious "laurels" and have subsequently been damned by the people. Here, in Europe, political doctrine has included aspirations to world supremacy, which have ended in the collapse of states, the resources of which were placed at the service of criminal misanthropic aims.

This is why the time has come to draw the unavoidable collective conclusions from past experience. And we are drawing these conclusions here with a total awareness of our responsibility for the future of the European continent, which must exist and develop in an atmosphere of peace.

No one is likely to deny that the results of the conference represent a carefully weighed balance of the interests of all participating states. For this reason, they must be treated with particular care.

The difficult task of progressing from the mere idea of an all-European conference to its culmination--its conclusion on the highest level--now lies behind us. The Soviet Union, after soberly assessing the distribution and dynamics of various political forces in Europe and in the world, is firmly convinced that the powerful currents of detente and egalitarian cooperation, on which European and world political events have depended more and more in recent years, will acquire new strength and even greater scope as a consequence of the conference and its results.

From a statement made by L. I. Brezhnev in Helsinki at the Conference on Security and Cooperation in Europe on 31 July 1975.

## CHANGES IN THE ADMINISTRATION

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pp 64-67

[Article by O. N. Anichkin]

[Text] American President J. Carter has reorganized his cabinet and White House staff. The resignations of five cabinet members were accepted-- Attorney General G. Bell, Secretary of the Treasury M. Blumenthal, Secretary of House, Education, and Welfare J. Califano, Secretary of Energy J. Schlesinger and Secretary of Transportation B. Adams. Benjamin Civiletti, formerly deputy attorney general, was named to succeed as attorney general; Federal Reserve Chairman G. William Miller was picked as secretary of the treasury; former Secretary of Housing and Urban Development Patricia Harris took the position of secretary of health, education, and welfare; Schlesinger is to be succeeded by Deputy Defense Secretary C. Duncan; New Orleans Mayor M. Landrieu was chosen as secretary of housing and urban development; and Portland Mayor N. Goldschmidt was picked as secretary of transportation. All of these appointments must be approved by Congress.

After the resignations and new appointments had been announced, Carter declared that the cabinet shuffle had been completed and that he did not intend to dismiss anyone else. "I am satisfied with the changes that have been made, and all of them are constructive," he said. "I have no doubt that my administration and I will now be able to serve the nation better." This declaration, however, did not calm down political circles in the nation.

Washington veterans had never seen anything resembling what happened in the middle of July in U.S. political life. What happened was the following. The President's press secretary, Jody Powell, quite unexpectedly made the following sensational announcement: All of the cabinet members and senior White House staff officials had offered resignations. The resignation of 34 members of the administration and chief presidential advisers was an event unprecedented in U.S. political history in the last 100 years. Some secretaries had resigned of their own accord or at the President's request. But there had never been a case in which a President had been offered resignations by all of the members of his cabinet prior to the end of his term

in office. A CBS television correspondent remarked that the "unexpected and massive cabinet shake-up has thrown all of Washington into confusion."

Here is how the UNITED PRESS INTERNATIONAL agency, quoting informed news sources, described the resignation scene. At a regular cabinet session, President Carter announced that he intended to "take a good look" at his cabinet and make some changes. One cabinet member replied: "Let us make it easier for you. We will all resign." The President said: "Wonderful." After this, all of those present verbally announced their resignation.

It is difficult to say how reliable this report is, but it is strongly believed that the resignation offers were initiated by the President.

Reports issued by the United States set forth the most varied reasons for this unexpected and extraordinary, from the standpoint of American political traditions, shake-up in the administration. The key to understanding the events that took place in Washington might be derived, to a considerable extent, from a speech made by the President on national television prior to this time, in which he quite frankly discussed the major problems that were seriously disturbing the American people. Carter said the following: "The real problems in our nation go much deeper than gas lines or the energy shortage, even deeper than inflation and recession.... The essence of these problems is a crisis of faith, a crisis affecting the very heart, soul and spirit of our national will." The President went on to remark: "The federal government is isolated from the mainstream of national life. Washington has become an island. The gap separating our citizens from our government has never been so great."

This speech was carefully weighed and considered after confidential meetings in the President's Camp David summer residence. According to NEWSWEEK, in Camp David, where 135 representatives of political, business and scientific circles advised the President at his invitation, Carter was frankly told by many of them that the public was losing faith in his ability to govern effectively. The majority advised him to "activate the presidency" and to reorganize and "revitalize" the administration.

Many of the President's televised speeches were amazingly frank and suggested that considerable changes might be made in the administration. The reorganization of the administration and the White House staff, to which the President resorted, was a step aimed at restoring the authority of the presidency as quickly as possible and to put an end to the crisis of faith, the "crisis of the American spirit," that was developing in the nation.

This crisis, which was so dramatically discussed by the President, is constantly being exacerbated by mounting economic difficulties that threaten to bring the American economy to the point of another serious "depression" with all of the ensuing consequences. The scales of the economic problems facing the United States can be judged merely from the curb of the main economic indicators of the Department of Commerce, which is considered to be a yardstick of economic development: It was already declining in the

end of 1978, and in January of this year it fell to its lowest point since the time of the 1974 crisis; it continued to decline in subsequent months. The increase in the gross national product fell to the minimum. Labor productivity declined and the rate of inflation rose. According to some estimates, unemployment could rise from 5.8 to 7 percent of the able-bodied population by the end of this year.

The economic and social problems were aggravated by the increasing severity of the energy crisis, which has affected all facets of the American way of life.

At the end of the June conference of the heads of the seven leading capitalist countries in Tokyo, President Carter announced that the oil crisis had brought the United States much closer to depression and that it would increase the unemployment figure by approximately 800,000, decrease the GNP by 2.5 percent and further accelerate inflation. All of this is naturally arousing dissatisfaction and disillusionment with the actions--or inactions--of the administration.

Apparently, by reorganizing the cabinet, reappointing some administration officials and appointing new ones, the President intended to simplify the search for ways and means of overcoming energy, economic and political problems and simultaneously wanted to prove that he was prepared to take decisive action in difficult situations.

His decision was indisputably substantially influenced by the fact that the election campaign of 1980 is approaching. Carter does not conceal his intention to seek re-election. For this purpose, he must begin now to strengthen his position and put together a thoroughly loyal and politically strong following. Just before the campaign, the UPI agency commented, the President will have--and he was told this in Camp David--"to clean house and put things in order" by getting rid of the members of his administration who are the "most vulnerable" from the political standpoint.

There are also other aspects of the reorganization that shed new light on its nature and purpose. There was the desire to strengthen the White House staff's control over the implementation of presidential decisions and to establish a tougher leadership in the federal departments. According to some, this was the purpose, in particular, of the appointment of H. Jordan, in whom the President has the greatest confidence, White House chief of staff. According to reports in the press, it is precisely Jordan who has been given the responsibility of coordinating control over the implementation of decisions. Articles have appeared in the press, suggesting that he has already distributed a questionnaire to the heads of agencies for the purpose of discerning the "devotion" and "zeal" of top administrators with respect to White House policies. Jordan has denied these reports and has said that "it is not a matter of loyalty, but of competence."

All of the changes are connected mainly with the domestic aspects of administration policy. Reports from Washington have made special mention of the fact that the reappointments and new appointments will not bring about any



change in foreign policy. They stress that Secretary of State C. Vance, Secretary of Defense H. Brown and National Security Adviser C. Brzezinski have stayed in office.

The President's decision, as press reports indicate, aroused a fairly dramatic and often negative response in U.S. political and business circles. The resignations of J. Califano, J. Schlesinger and M. Blumenthal gave rise to the most rumors. As for G. Bell and B. Adams, the former had asked to be relieved of his duties long ago "for personal reasons," and the latter intends to run for the Senate.

Schlesinger's dismissal was regarded as quite probable for a fairly long time. After all, his name is associated with the failure to work out an effective energy program and with the further intensification of the energy crisis.

According to the NEW YORK TIMES, Califano's supporters have declared that he was the victim of "dilettantes" in the White House, who envied his ability to get along with the Congress and his good relations with the press. He was even accused of disloyalty to the White House--apparently because Califano was close to certain Democratic politicians in Washington who intend to run for President.

Judging by reports in the press, the resignation of Secretary of the Treasury M. Blumenthal, who had the reputation of an extremely competent economist, was quite probably due primarily to the White House staff's failure to "understand" his approach to the resolution of economic problems. Information was leaked to the press several times in regard to fundamental differences of opinion on several issues between the secretary of the treasury and the President's advisers.

The initial reaction in the Congress, where the new cabinet appointments are to be discussed and approved, was distinguished by the critical tone of statements by Democrats as well as Republicans. Those who expressed dissatisfaction or bewilderment in connection with the President's decision included Senators E. Kennedy, A. Ribicoff, H. Jackson and D. Moynihan and Governor E. Brown of California. Quoting congressional circles, a NEW YORK TIMES correspondent reported that the resignations of M. Blumenthal and J. Califano were regarded by many as "proof that the President has begun an undeclared campaign for re-election by replacing the officials he considers to be a political liability." Analyzing the reaction in Congress, particularly among the Democrats, the newspaper commented that "the President's attempt to restore faith in his administration with the aid of the mass dismissal of his cabinet has had the opposite effect on prominent figures in the Democratic Party."

As for the reaction of Republicans, their leader in the Senate, Howard Baker, said "the resignation of the administration confirms the fact that the President is encountering serious problems and that all of us are also encountering serious problems."

## TRENDS OF POPULATION MIGRATION IN THE UNITED STATES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 68-76

[Article by Ye. D. Mikhaylov]

[Text] Internal migration, or the movement of the population over national territory in connection with changes in the place of residence, represents a complex social process affecting the major facets of socioeconomic and political life in the nation. To a considerable extent, it determines the regional development of its productive forces, the nature of settlement patterns, the social and national composition of regional populations and the economic and political significance of regions and, in turn, is itself determined by the territorial distribution of industry, agriculture, transportation and so forth.

Higher levels of population mobility are generally seen in countries with extensive territory and a variety of geographic and economic conditions. In the capitalist world, this applies primarily to the United States, whose history has been shaped by the continuous ebb and flow of external and internal migration. This has included European immigration, the arrival of hundreds of thousands of black slaves from Africa, the colonization of the American West, the migration of the black population from the nation's South to the North and the mass population shifts connected with urbanization.

It has been a long time since moves by large segments of the American population have been related to large-scale social upheavals, such as revolution or war. Moving has become a commonplace event in American life. For example, more than 70 million people in the United States (adults and children) over the age of 3, or more than 34 percent of the total population, changed their places of residence just between 1975 and 1978. Of these, 13 million crossed state borders, 28 million moved from one county to another within the same state, and the rest moved to new places of residence in the same county or metropolitan area.<sup>1</sup> During this process, the declining growth rate of the total U.S. population and the declining birth rate have made the role of internal migration more important in national life and in the economy.

The problem of "balanced national growth" has become an important focus of government attention in recent years. In the beginning of 1978, for example, an extremely representative conference was held in the White House, mainly to discuss problems in population settlement and migration patterns. Neither this event nor other undertakings, however, resulted in the elaboration of an all-encompassing and precisely coordinated federal policy with clearly defined goals. In fact, there is still no precise interpretation of the very concept of "balanced national growth."

Contemporary migration processes in the United States have depended to a considerable extent on economic factors connected with regional differences in the developmental levels of productive forces. At the same time, the development of technological progress, which has stimulated the interregional and intraregional exchange of commodities, technology, information and services and has given birth to several new and progressive economic branches, has caused many old economic stimuli of priority growth in the productive forces of individual regions to lose some of their strength. In connection with this, during the postwar period there has been some equalization of the population growth rates of individual regions, of levels and structures of employment in regional economies and of salary levels. By the beginning of the 1970's, economic causes of internal migration had ceased to play their previous dominant role, and motives of a social nature began to advance more and more to the forefront. For example, when Philadelphia residents were asked why they were moving to other locations, only 21.6 percent cited employment considerations and only 2.5 percent were motivated by the high taxes in big cities. The rest explained that they were motivated by such factors as dissatisfaction with urban life, housing, the quality of education in the schools, the less favorable climate, family circumstances, the high crime rate and even the absence of wide open spaces.<sup>2</sup>

The declining importance of the localizing influence of economic factors is an extremely noteworthy phenomenon. It reflects the growing role of the population itself as the prime cause of migration, introducing new value criteria into the system of localizing factors, as well as new ideas about the "quality of life." Americans are now more likely to care more about their habitat than their career. Along with good weather and proximity to nature, the social environment is being assigned increasing significance. In particular, substantial adjustments are being made in established migration patterns by racial relations within the community, their mounting tension and the desire for social and class isolation, which is one of the main reasons for the new policy of so-called "zero population growth" on the local level.

By the beginning of the 1970's, a combination of traditional and new socio-economic factors changed the geography of the main migration currents. As we know, they consist of two basic types: interregional and rural-urban migration. For example, whereas in the 1960's the nation's northeastern region was still attracting migrants and the process of urbanization and rural depopulation was still present on the regional level, in the 1970's

the picture changed considerably. There was the beginning of an intensive move away from the Northeast and rapid population growth in the South; the growth of the largest urban complexes<sup>3</sup> slowed down, and stopped completely in some cases, and the beginning of a de-urbanization process could even be seen if judged only in terms of quantitative indicators of population density; the population began to grow in American rural areas, which had just recently been undergoing a process of depopulation. All of these new trends could make substantial changes in the entire geography of the future distribution of the American population and the nation's productive forces.

These trends have received little coverage, however, in Soviet economic literature. For this reason, the author of this article is concentrating mainly on specific current tendencies in the basic patterns of internal migration and their causes, rather than on a general analysis of the relocation of centers of economic activity and the structure of population settlement or on the political consequences of these processes, which should be the subject of future studies.

### Migration Growth of the South

Interregional migration here signifies the redistribution of the population among basic U.S. economic regions. As we know, the first truly scientific regional classification of U.S. territory can be found in the works of V.I. Lenin, who divided this nation into three main regions—the industrial North, the once slave-holding South and the developing West. The principles of this system of classification were based on differences in the developmental levels of capitalist relations in production and in other spheres of public life. It is precisely within the framework of these relations that major socio-economic processes take place, having a decisive effect on the relocation of centers of economic activity and population concentration in the nation and on the development of regions "differing considerably in terms of economic conditions."<sup>4</sup>

As capitalism developed in breadth, however, and capital and manpower moved from the regions that were more mature from the capitalist standpoint and more developed in the economic sense to the less developed and mature regions, interregional differences disappeared and population density became more uniform throughout the nation. For example, the development of capitalist relations in the once slave-holding South led, in the first decade of the 20th century, to the ruin of tens of thousands of small landowners and to their flight to "other capitalist regions and cities." Since that time, new factors have taken shape in socioeconomic life in the nation, making some regions more convenient and appealing than others for the location of capitalist economic units. A classic example of this was seen when the textile industry moved from the North to the South, attracted by the presence of abundant hydraulic power resources, sizable oil and gas deposits (the raw material used in the production of synthetic fabrics) and comparatively cheap manpower.



A noticeable increase in the flow of migrants to the South was a characteristic feature of the development of interregional migration processes in the 1970's. For the first time in this century, this flow exceeded the flow of migrants leaving this region (see Table 1). It is particularly noteworthy that a significant percentage of these migrants were Americans, including blacks, who had once lived in this region and were now returning.

Table 1

Balance of Interregional Migration Flows for 1970-1974, Millions of People\*

Chief Economic Regions	Arrivals	Departures	Migration Balance
Northeastern	1.0	1.9	-0.9
Northcentral	1.8	2.5	-0.7
Western	2.1	1.5	0.6
Southern	3.4	2.3	1.1

\* Population figures take in all persons over the age of four. "Current Population Reports. Population Characteristics. Mobility of the Population of the United States: March 1970 to March 1974," Series P-20, No 273, Table 29, Washington, 1974, p 72.

The data in Table 1 clearly show which major economic regions are experiencing a migration demographic boom, and which are losing more population than they are gaining. For example, whereas in the 1960's the Northeast (mainly just New England) was still attracting migrants, the 1970's were marked by the intensive departure of the population from this region. An increasing desire to leave familiar locations can also be seen among inhabitants of the Northern center, particularly in its eastern states— Illinois, Indiana, Ohio and Michigan. The situation in the American West and, in particular, in the South is in sharp contrast to the tendency in these two regions. In the case of the South the slight numerical superiority of arrivals to departures in the 1960's became overwhelming in the 1970's, when a veritable avalanche of new arrivals could be seen—around half a million a year (see Table 2).

Therefore, the 1970's were a time of considerable changes in interregional migration. The appeal of the northeastern and northern central regions declined sharply. The role of the West as a whole remained the same, although the center of gravity shifted in the direction taken by the flow of new arrivals. The majority settled in the mountain states. On the other hand, the number of persons moving to the Pacific states, particularly California, decreased sharply. The southward shift was the most noteworthy. The intensity of migration to southern regions increased approximately 10-fold.

Table 2

## Balance of Interregional Migration, Thousands of People (Annual Average)

	1960-1970	1970-1975
Northeast	37.5	-137
Mid-Atlantic States <sup>1</sup>	5.9	-151
New England States <sup>2</sup>	31.6	14
Northern Center	-75.2	-176
Northeastern Center <sup>3</sup>	-15.3	-155
Northwestern Center <sup>4</sup>	-59.9	-21
West	285.4	293
Mountain States <sup>5</sup>	30.7	166
Pacific States <sup>6</sup>	254.7	127
South	59.2	525
Southern Atlantic States <sup>7</sup>	133.2	372
Southeastern Center <sup>8</sup>	-69.8	40
Southwestern Center <sup>9</sup>	-4.2	113

1. New York, New Jersey, Pennsylvania.

2. Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.

3. Ohio, Indiana, Illinois, Michigan, Wisconsin.

4. Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas.

5. Montana, Idaho, Wyoming, Nevada, Utah, Colorado, Arizona, New Mexico.

6. California, Oregon, Washington.

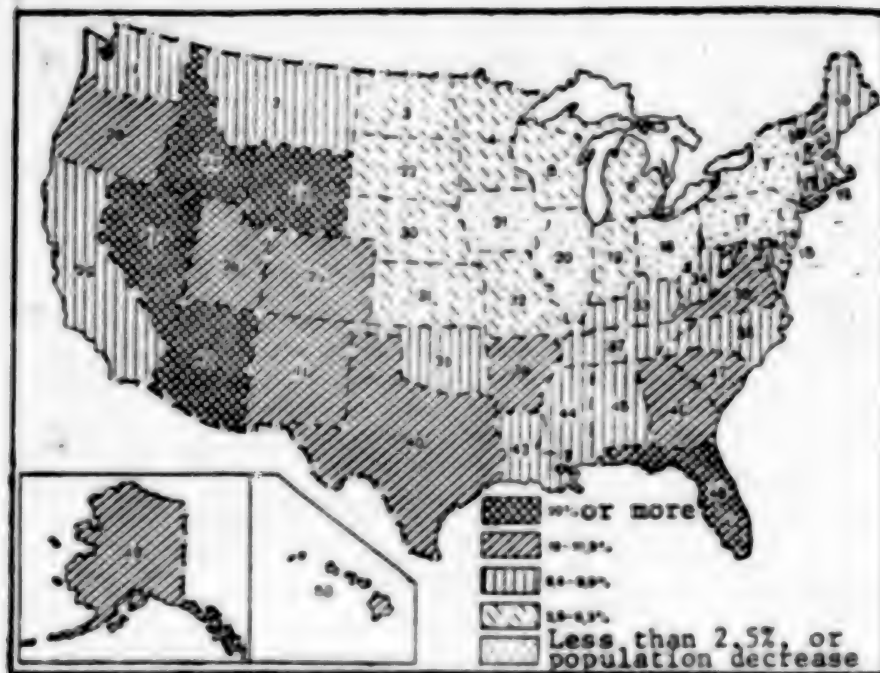
7. Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Federal District of Columbia.

8. Kentucky, Tennessee, Alabama, Mississippi.

9. Arkansas, Louisiana, Oklahoma, Texas.

"How Cities Can Grow Old Gracefully," p 16.

The increase in migration to the South was primarily due to postwar changes in the geographic distribution of productive forces. The developing technological revolution gave rise to profound changes in the structure of national production. In the sphere of physical production, the emphasis shifted from the development of traditional branches, such as heavy industry and railway transport, to the development of new and progressive types of production--complex and precision machine building and instrument making, petrochemicals, small-scale metallurgy, etc. Small-scale agricultural production receded further and further into the past, giving way to large capitalist enterprises. The leisure and tourist "industry" was widely developed.



Population Growth Rates of States in 1970-1977 (Total U.S. Population Had a Growth Rate of 6.4 Percent)

1--Washington; 2--Montana; 3--North Dakota; 4--Minnesota; 5--Wisconsin;  
 6--Michigan; 7--New York; 8--Vermont; 9--New Hampshire; 10--Maine;  
 11--Massachusetts; 12--Rhode Island; 13--Connecticut; 14--New Jersey;  
 15--Delaware; 16--Maryland; 17--Pennsylvania; 18--Ohio; 19--Indiana;  
 20--Illinois; 21--Iowa; 22--South Dakota; 23--Wyoming; 24--Idaho;  
 25--Oregon; 26--California; 27--Nevada; 28--Utah; 29--Colorado; 30--Nebraska;  
 31--Kansas; 32--Missouri; 33--Kentucky; 34--West Virginia; 35--Virginia;  
 36--North Carolina; 37--Tennessee; 38--Arkansas; 39--Oklahoma; 40--Texas;  
 41--New Mexico; 42--Arizona; 43--Louisiana; 44--Mississippi; 45--Alabama;  
 46--Georgia; 47--South Carolina; 48--Florida; 49--Alaska; 50--Hawaii.

All of these changes brought the greatest advantages to the South and Southwest, where such new and progressive branches as agribusiness and the aerospace, defense, oil and gas, and recreation industries were developed to the maximum. To a certain degree this was fostered by the favorable natural and climatic conditions of southern regions—the lengthy vegetative period, the warm climate, the abundance of sunshine, the long coastal strip and the sizable crude fuel resources. According to American experts, however, the main reason for the South's "aggressive" penetration by national capital and, in recent years, by foreign capital as well, was the comparative social and economic backwardness of the region. The existence of abundant natural resources and comparatively cheap land, the lower level of the labor movement, the surplus of cheap manpower and the relatively low minimum wage were the appealing features that served as a basis for the expansion of capital. The shortage of skilled personnel was

corrected by means of the recruitment of workers from other regions, primarily the North. For example, according to the latest available data, between 1965 and 1970 the number of highly skilled and skilled workers in southern industry rose 11.6 and 12.5 percent respectively as a result of migration, while it decreased by 13.5 and 9 percent in the Northeast and by 13.2 and 14.5 percent in the Northcentral region for the same reason. The increased arrival of skilled industrial workers in the South was accompanied by the departure of farmers from this region. During the period in question, the number of farmers decreased by 10.5 percent.<sup>5</sup> This was the result of the capitalization and consolidation of farming facilities (see Table 3).

Table 3

Migration Increase (Or Decrease) in Able-Bodied Male Population  
Between 1965 and 1970, %

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Northeast	-5.7	-9.0	-13.5	4.8	-9.0	-9.1	-5.9	-4.4	-3.1	-2.5	-2.7
North center	-9.3	-14.5	-13.2	-4.3	-9.0	-6.2	-2.9	-10.3	-5.5	-3.2	-0.7
West	5.3	7.1	9.0	15.0	7.8	5.0	3.7	7.0	3.2	2.4	0.5
South	8.5	12.5	11.2	-10.5	7.5	7.5	7.3	5.7	5.0	4.5	1.5

"Manpower Report of the President, 1974," Wash., 1974, p 75. Newer data of this kind are not available as yet.

Key:

- |                           |                                 |
|---------------------------|---------------------------------|
| 1. Regions                | 7. Service employees            |
| 2. All professions        | 8. Trade workers                |
| 3. Skilled workers        | 9. Chauffeurs                   |
| 4. Highly skilled workers | 10. Specialists                 |
| 5. Farmers                | 11. Managers and administrators |
| 6. White-collar workers   | 12. Auxiliary personnel         |

The economic upsurge in the South improved market conditions and increased the demand for goods and services, which has kept ahead of the growth of income, both the income of companies, particularly oil and gas companies, and public income. According to the data of BUSINESS WEEK, personal income in the Southeast rose more than 114 percent between 1960 and 1975, while the rise in the North was only 70 percent.<sup>6</sup> In turn, this increased state and local government revenues, which are used to finance the development of public services, utilities and transportation, as well as the recruitment of new manpower. This has been stimulated in part by the total exemption of new arrivals from local taxes during their initial period of adjustment, the temporary provision of these individuals with free or low-cost housing and so forth.



Federal allocations have played a definite role in increasing the migration flow to the South. For example, more than 54 percent of all the funds allocated in 1970 for the development of agribusiness and the aerospace, defense and fuel industries were sent to the southern states. That same year, the amounts spent in this region accounted for 40 percent of all federal allocations for civil service and social welfare.<sup>7</sup>

The shift in the distribution of production units and the migration of the population to the South will have far-reaching socioeconomic and political effects, not only in this region, but throughout the nation as a whole. For example, one of the main results of the South's present transformation has been the reinforcement of its own financial base and the creation of a southern wing of monopolistic groups that are much more powerful than ever before and are connected with financial capital in the Northeast. The most general political consequence of these changes has been the noticeable shift in the balance of political power in the nation from North to South,<sup>8</sup> which has been reflected, in particular, in the increased representation of the South in federal government agencies. On the social level, migration generally gives rise to more pressing problems in the places left by migrants than in their new locations. The constant prevalence of young people with a high level of education and skills in the migrating public has a negative effect on the production and economic capabilities of the population remaining in the previous location and gives rise to more pronounced interregional social contrasts.

#### The Shift to 'De-Urbanization'

Urbanization, which had already begun at the end of the 19th century and reached its highest level of intensity during World War II and after the war, has played a prominent role in U.S. migration patterns. At the basis of this phenomenon lie such socioeconomic factors as the industrialization of the country, necessitating the concentration of production and population in the cities, the mechanization of agriculture, the development of trans-continental and municipal transport systems, European immigration and so forth.

During the initial stage of this development, urbanization only increased interregional differences because it was based not on the construction of new cities, but on the established system of urban settlement patterns, with maximum population density in the North. In the postwar years, however, the more lively migration to the West and South accelerated the growth of the urban population of these regions. Between 1950 and 1970 they already accounted for 62 percent of the total increase in the U.S. urban population.

Since the majority of large cities, which have the most appeal, are located in the nation's coastal regions, urbanization increased migration from the continental "heartland." In the 1950's and 1960's this resulted in its considerable depopulation: On the whole, between 1950 and 1970 population losses were recorded in almost half of all the nation's administrative districts (or counties). These were primarily rural districts in the Great Plains region, in the South and in Appalachia.

According to the latest population census (1970), around 150 million Americans were then living in cities, and around 54 million were living in rural areas (approximately 10 million of these constituted the farming population). Two-thirds of the rural non-farming population, totaling around 44 million people, lived in areas directly adjacent to cities.

In addition to interregional and rural-urban migration, which brought about the changes in the geography of the population in the postwar years, another important type of territorial move was the intraurban population shift, which is now having an increased effect on settlement patterns in the nation and is promoting the accelerated evolution of the urban form itself. Cities ceased to be structures with clearly defined municipal boundaries and became large metropolitan complexes, covering a great deal of territory. This was primarily connected with the processes of suburbanization—that is, the relocation of inhabitants from old city centers to suburbs.<sup>9</sup>

Therefore, postwar suburbanization in the United States consisted of migration flows moving in two opposite geographic directions—the concentration of the population in the large urban metropolis and deconcentration within the metropolis.

It is important to note that these processes were much more intensive and pronounced in the United States than in other capitalist countries, due primarily to the more acute social conflicts connected with urbanization in this country. For example, the social and territorial polarization of the urban population during the process of suburbanization led, in particular, to the accelerated social degradation of urban centers, urban crisis, the concentration of poverty in the cities, the rising crime rate, the rapid depreciation and deterioration of housing, the weakening of the production base and so forth. In turn, this intensified centrifugal tendencies and urban "sprawl."

By the end of the 1960's, the rapid loss of the important economic and cultural advantages of urban centers resulted in the depopulation of many of them. For example, the 1970 census recorded population losses in 153 cities (or urban centers) with more than 100,000 inhabitants. In subsequent years, the population in these cities continued to decrease.

For some time, the crisis of the urban centers did not have any great effect on indicators of population growth in metropolitan areas as a whole. Even in the late 1960's and early 1970's, only 4 of the 41 largest metropolitan areas displayed even a negligible decrease in population. "Metropolitan" America as a whole continued to grow.

The situation changed, however, in the 1970's. It would be premature to describe this change as a drastic shift; it was merely the result of the continuous effect of previous tendencies, which have led in recent years to the definite erosion of previous geographic structures. Nonetheless, it is absolutely obvious that a radical decrease in the flow of migrants

to large metropolitan areas and an increase, unprecedented in all of the nation's contemporary history, in their flow to the suburbs have become important features of present-day migration processes in the United States. For example, whereas around 3 million rural inhabitants migrated to cities between 1960 and 1970, more than 1.6 million people migrated in the opposite direction just between 1970 and 1974 (see Table 4). This is the reason for the dramatic deceleration of urban growth and the lively growth of outlying areas. For example, the average annual population growth rate in the 1970's was 3.4 percent in urban areas and 5.6 percent in rural areas, with only a slight difference between birthrates.<sup>10</sup>

Table 4

Dynamics of Rural-Urban Migration, Millions of People

	1960-1970	1970-1974
Metropolitan areas	6.0	0.5
Outlying areas	-3.0	1.6
Breakdown:		
Adjacent to metropolitan areas	-0.7	1.0
"Heartland"	-2.3	0.6

"Population," Hearings..., p 62.

Rural America has been undergoing an important demographic change in recent years. The population flow away from many rural zones has stopped and the number of inhabitants has begun to rise. This tendency can be seen in three-quarters of all districts. The percentage accounted for by districts in the positive rural migration balance rose from one-tenth in the 1950's to one-fourth in the 1960's and one-third in the 1970's. Rural America, which was losing an average of 300,000 inhabitants to metropolitan areas each year in the last decade, is now taking in approximately 350,000 new arrivals from metropolitan America each year.<sup>11</sup>

A particularly radical shift in migration patterns has been seen in the particular part of the American countryside that was completely rural until recently. These are areas that are separated from large cities by great distances and that do not have even one city with the minimum population of 2,500 within their boundaries. This indicates that the migrating population has begun to penetrate more and more into the most remote parts of the nation, which had been experiencing severe depopulation until the 1970's.

The latest demographic studies show that the people who moved from metropolitan areas to the countryside between 1970 and 1975 were, on the average, younger, more educated and more highly skilled in their professions than the inhabitants of these regions. This caused the population to "grow younger" and raised its level of education and professional training. In turn, migrants from rural to metropolitan areas were also younger, more

educated and more highly skilled than the people who remained in the cities. The definite similarity between these migrant groups proves that a high degree of territorial mobility is characteristic of these population categories. At the same time, there are also substantial differences between rural and urban migration flows (see Table 5).

Table 5

Professional Skill and Age Composition of Rural-Urban Migrants,  
Percentage of Total for 1970-1975

Population Groups	From metropolitan to rural areas	From rural to metro- politan areas
Under 30	57.4	67.8
Over 65	7.3	3.9
Over 18, with at least 1 year of college	34.1	44.4
Males over 16 (specialists, managers and administrators)	33.0	41.2
Skilled workers—males	33.7	30.6
Unskilled workers and service employees, males	21.1	14.9

P. A. Morrison, op. cit., p 22.

When we begin to examine the reasons for phenomenon mentioned above, it should be stressed that the term "de-urbanization" is only used conditionally in this article, since it reflects only one side of the process—the slight decrease resulting from migration by the urban population and the increase in the rural population. Both urbanization and de-urbanization, however, have another side—the expansion or restriction of the territorial sphere of the urbanized way of life. In this sense, the new tendencies in rural-urban migration do not at all signify a step backward. The fact that people are leaving the cities does not mean that they are returning to agricultural pursuits and a rural way of life. In essence, the urban regions are simply spreading beyond the conventional boundaries of metropolitan areas.

Whereas the main reason for the above mentioned changes in interregional migration has been the increased economic, primarily industrial, activity in the South, the reasons for de-urbanization are much more complex and varied. They transcend the framework of the direct dependence of settlement patterns on the distribution of production units and are mediated considerably by objective social processes and even political considerations. The causes of this process of de-urbanization have not been studied in their entirety, but we do know for certain that no single cause prevails over all the rest.



One of the main general causes of de-urbanization has been the continuous loss of the clear advantages of high urban population density that was so obvious in previous years and were connected with the big city's main function as the prime generator of progress and technical innovation. As the technological revolution developed and, in particular, as the social contradictions of capitalism grew more pronounced, the previous magnetism of the old (primarily in the North and Northeast) cities became much weaker, and this weakness has begun to spread to all of metropolitan America in recent years, no longer limited only to densely populated urban centers.

At the same time, certain repellent forces have become stronger--the crowded state of cities and attached suburbs, the obsolescence and deteriorated condition of the production and social infrastructure, the shortage of available space for the incorporation of the latest technology and modern equipment in mass flowline production, ecological and transportation problems, the aging of municipal services and public utilities due to spontaneous growth and the lack of effective planning on the level of cities and metropolitan areas, the policy of zero population growth in the majority of suburbs, and the increasingly acute set of economic, social, municipal and housing problems that are combined under the general heading of "urban crisis."

Besides this, the old cities, after losing much of their superiority as cultural centers and centers of social communication and employment opportunities, remained regions with a high and constantly rising cost of living. The succession of centrifugal waves of intra-metropolitan migration, which helped to erode the tax bases of cities and aggravate their financial crisis, only increased the burden of the urban taxpayer. The sharp increase in energy and fuel expenditures and the constantly rising demand for gasoline (particularly due to lengthy commutes) raised the cost of living in metropolitan areas even more. This resulted in the more frequent severance of social ties. It is no coincidence, for example, that five metropolitan areas with the highest cost of living in the nation (New York, Chicago, Cleveland, Detroit and Philadelphia) lost a total of 372,000 inhabitants just between 1970 and 1973, while four other metropolitan areas with the lowest cost of living (Minneapolis, Nashville, Fort Worth and Houston) had a positive migration balance of 173,000. Whereas in 1960 approximately 32 percent of all persons employed in cities commuted to work each day from the suburbs, the figure was 25 percent in the early 1970's. Therefore, the cities are now associated with poor living conditions in general, a lower quality of life and a rising cost of living.

The effects of just the forces that drove people out of the cities, however, are not enough to explain the economic and demographic revival of outlying areas, particularly the "heartland." Against the background of the increasingly pronounced contradictions of urban life, the defined advantages of the countryside can be seen even more clearly.

Many of the advantages for the sphere of physical production were already apparent in the 1960's, when the decentralization of the processing industry

became an important factor contributing to the economic revival of many small cities and rural locations, particularly in several parts of the South.<sup>12</sup> Between 1962 and 1969, half of all of the new jobs in rural America were in the processing industry, and this was also the location of one-fifth of the increase in total industrial employment in the nation.

For businessmen, the most appealing features of these regions are the low cost of manpower (with a virtual absence of labor union pressure), the tax exemptions offered to firms by local authorities, which cannot be offered by local authorities in big cities and their suburbs due to their financial difficulties and the policy of zero population growth, the less complex political and economic problems connected with the elimination of pollution and the protection of the environment and, in several cases, the proximity to sources of energy.

In the 1970's, the processing industry's role in the economic revival of the countryside decreased perceptibly. Between 1969 and 1973, this branch already accounted for no more than 18 percent of all new jobs. The rest of the increase in jobs was mainly accounted for by the mining, fuel and recreation industries, as well as the non-production sphere--trade, services and several other types of activity which serve the population and, for this reason, keep up with the demographic trends without displaying any localizing initiative of their own.

Migration is being stimulated more and more not only by such localizing factors as, for example, the possession of a motor vehicle, a suburban cottage, a yacht and other, but also the favorable climatic, natural and social conditions of particular locations. Under the specific conditions of the bourgeois social environment, however, not only do new stimuli of territorial migration come into being, but varying opportunities for this kind of migration are provided to different social groups, resulting in the social territorial polarization of the population on the citywide and nationwide levels. The growing social contrast between old urban centers and their suburbs provides convincing proof of this.

The heightened mobility of the American population has also been the result of important technological and social advances, which have led, in particular, to an increase in the number of professionals, retired individuals and students, who are not bound to a specific job, and to an increase in the number of blue- and white-collar workers in branches which generally keep up with demographic changes instead of initiating them. For these categories, the combination of a healthy environment and a lower cost of living can be the deciding factor of migration in many cases. In short, the increasing complexity of cause and effect relationships in migration processes in recent decades has largely cancelled out the previous prevalence of centripetal migration patterns and the depopulation of rural America. The effects of the present counterbalancing centrifugal tendencies already extend beyond the boundaries of existing metropolitan areas. This could make significant overall changes in the entire geography of the American population in the future.

Therefore, the latest trends in U.S. migration patterns now depend on more comprehensive social factors than the trends characteristic of the 1960's, not to mention the 1950's. The previous factors of migration, primarily pertaining to production and connected with capitalism's characteristically uneven economic development, have now been supplemented by several new factors under the influence of the technological revolution and profound social changes. These include the so-called "human factor," or the total complex of living conditions; this factor is playing an increasingly important role, carrying the entire variety of social relations and ties characteristic of capitalist society and the present era of its development over to the sphere of migration processes.

#### FOOTNOTES

1. "Current Population Reports. Population Characteristics. Geographical Mobility: March 1975 to March 1978," Series P-20, No 331, Washington, 1978, p 5.
2. "How Cities Can Grow Old Gracefully," Hearings before the Subcommittee on the City of the Committee on Banking, Finance and Urban Affairs, House of Representatives, 95th Congress, 1st Session, Washington, 1977, p 28.
3. The urban agglomerates, which are called standard metropolitan areas (SMA) in American statistical literature, are large urban complexes consisting of a city with a population of at least 50,000 and adjacent suburbs that are closely connected with the city economically and culturally. The SMA generally includes, in addition to a city, several adjacent districts (or counties).
4. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 27, p 136.
5. "Manpower Report of the President, 1974," Washington, 1974, p 72.
6. BUSINESS WEEK, 17 May 1976, p 93.
7. K. Sale, "Power Shift: The Rise of the Southern Rim and Its Challenge to the Eastern Establishment," New York, 1974.
8. These matters are discussed in greater detail in the article by V. Zorin in No 8 of the journal for 1978.
9. This question has been elucidated in literature. See, for example, Ye. D. Mikhaylov, "Problema bol'shikh gorodov" [The Problem of Big Cities], Moscow, 1973, pp 29-79--Editor's note.

10. "Population," Hearings before the Subcommittee on Census and Population of the Committee on Post Office and Civil Service, House of Representatives, 94th Congress, 1st and 2d Sessions, Washington, 1976, p 62.
11. P. Morrison, "Evolving U.S. Pattern of Population Settlement in the 1970's," Paper for the XXIII Geographical Congress in Moscow," Santa Monica, California, 1976, p 10.
12. G. Summers et al, "Industrial Invasion of Nonmetropolitan America," New York, 1976.

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## ITALY: WASHINGTON ALARMED

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 77-79

[Article by N. V. Melikhova]

[Text] The political crisis by which Italy has been seized in recent years was engendered, as we know, by the inability of the ruling Christian Democratic Party to solve economic, social and political problems in the nation. The crisis became more acute this spring when the programmed demands of the communists, who were part of the parliamentary majority, were ignored. As a sign of protest, the Italian Communist Party (ICP) withdrew from the majority faction. As a result, parliamentary elections in Italy were held early, on 3-4 June. The ICP won 31.5 percent of the vote in the Senate elections and 30.4 percent in the elections for the Chamber of Deputies. In spite of the slight decrease (in comparison to 1976) in the number of ballots cast for the ICP, rightist groups were unable to change the overall balance of power, and the communist party is still the second most powerful political party in the nation.

The problem of communist participation in direct government rule is also still on the political agenda in Italy. This question was raised as a result of the objective growth of leftist influence and prestige.

The prospect of communist participation in the government of an allied country with an important strategic position in southern Europe has long disturbed Washington. It has become the subject of virtually constant discussion in circles involved in U.S. foreign policy-making.

American scientific journals have published articles, in which their authors have tried to analyze the present state of affairs in Italy, reveal the reasons for the failure of American policy in this region, dedicated to the preservation of the political and social status quo, and find a suitable--from the U.S. standpoint--way of regulating the state of crisis in this nation. In connection with this, articles by American scholars, printed in POLITICAL SCIENCE QUARTERLY and FOREIGN POLICY, are of interest. In the first of these, the authors are A. Platt, once an instructor of political

science at Stanford University and now an administrator of the U.S. Arms Control and Disarmament Agency, and R. Leonardi, assistant professor of political science at Kansas State University. The authors of the article in FOREIGN POLICY are P. Lange, professor of government and law at the Center for European Studies, and M. Vannicelli, Harvard University instructor. Both pairs of authors defend the liberal point of view on the "Italian question"--that is, the problem of communist participation in the Italian Government.

Lange and Vannicelli believe that the U.S. attitude toward the ICP stemmed from the American strategy of consolidating U.S. influence in Europe. An important element of this strategy was the desire to reinforce the bloc of Western states. The United States felt that it could attain this goal by promoting economic growth in the Western European states and by isolating national communist parties and related social groups. Until the end of the 1960's, in the authors' opinion, this policy led to the attainment of certain objectives in Italy.

Platt and Leonardi present a detailed analysis of U.S. policy toward leftist forces in Italy after World War II. They are particularly interested in the 1960-1963 period, when an approach to the problem of "leftist access" to Italian government was worked out under the Kennedy Administration. They believe that the situation which arose in U.S.-Italian relations at the beginning of the 1960's in connection with the inclusion of the Italian Socialist Party (ISP) in government was similar in many ways to the situation of the 1970's, when the question of ICP participation in government was raised.

In the beginning of the 1960's, U.S. feelings about "leftist access" to the Italian government were extremely contradictory, just as they are now, A. Platt and R. Leonardi write. For example, circles advocating "leftist access" were opposed by military agencies and the CIA, which adhere to a "tough line," demanding, in particular, the "use of American troops to prevent ICP inclusion in a coalition government."<sup>2</sup> According to this article, however, even the supporters of the policy of "leftist access" were guided primarily by U.S. interests. Their chief argument was that U.S. support for socialists would, in their opinion, weaken the latter's ties with communists, would result in the isolation of the ICP and would diminish its role.

As both pairs of authors had to admit, however, the complete failure of the plans of American strategists became obvious by the end of the 1960's. Parliamentary elections in Italy in 1968 proved that the ICP was winning the support of more and more voters. In 1969, at a time of mounting political crisis in Italy, the question of ICP participation in government, according to A. Platt and R. Leonardi, acquired distinct political outlines.

"The changed correlation of social forces and the inability of anticommunist governments to respond effectively to the demand for reforms and to the new economic problems facing Italy," Lange and Vannicelli state, "suggested that the nation would have to take the ICP into account in the future."<sup>3</sup>

What kind of policy do the authors suggest? Lange and Vannicelli criticize the current administration for its departure from the position of "concerned nonintervention," which was the "leitmotif of American policy in regard to the Italian question," as they write, during this administration's first days in the White House. The authors feel that the position of "concerned nonintervention" "reflected the desire of the Carter Administration to steer American foreign policy away from the one sided line of anticommunism that had governed the postwar American interpretation of international events and U.S. behavior in the international arena."<sup>4</sup> They see the administration's previous appeals for the elimination of unconditional anticommunism as a more realistic assessment of Italian reality and the role of communists in Italian society. Conversely, Washington's current position--the policy of preventing communist participation in the Italian government to which the administration subscribes--is inconsistent, in their opinion, with the requirements of the present day. It should be obvious to the United States that the chances of changing the ICP's status in Italian society are limited, and that the Italian people should decide what role the ICP should play in the use of political power. Lange and Vannicelli believe that the wisest course for the United States now would be a policy of "critical coexistence," which must be based on open discussion with the ICP for the "disclosure of general views."

The policy of "critical coexistence," according to the authors of the article in FOREIGN POLICY, will give the United States a chance to correct three basic defects of the "policy of non-admission": firstly, to discard the erroneous opinion that the ICP is not "democratic enough" to participate in Italian government. Statements of this kind are refuted by the simple fact that the ICP is winning more than one-third of the vote in elections, they point out. Secondly, it is important to discard the erroneous view that the ICP will lose its prominent place in national life if it should lose support in elections. The communist party, Lange and Vannicelli write, has become an integral part of Italian political life, and the "communist question" can only be resolved structurally, and not quantitatively. Besides this, considering the broad social base of the ICP, its withdrawal into the opposition in the event of some loss of election support could create even more dissension in the nation. Thirdly, the policy of "critical coexistence" will alleviate the fears of those who believe that the inclusion of communists in the Italian government will weaken NATO, destroy the equilibrium between the Soviet Union and United States (on which, as the authors write, detente is based) and slow down the process of European integration. According to Lange and Vannicelli, the ICP is now not advocating Italy's withdrawal from NATO, is "maintaining the existing equilibrium" between the USSR and the United States and does support detente and European integration.

Therefore, the authors of the FOREIGN POLICY article believe that the United States should conduct the particular policy toward the ICP that is consistent with existing conditions in Italy, and that intervention of any kind might be ineffective and could have an undesirable, from the standpoint of the West, effect on the political and economic balance of power in Italy.

What should the basic principles of the policy of "critical coexistence" be, in the opinion of Lange and Vannicelli?

The United States, they feel, should take the "democratic process" in Italy into account and "recognize the legality of the ICP." It should avoid threatening Italy in any way in the event of communist inclusion in a coalition government. On the practical level, the policy of "critical coexistence," the authors write, presupposes "circumspect and consistent dialog" with communists in regard to basic issues for the purpose of disclosing and discussing the most vague and debatable, from the standpoint of the American side, premises of the ICP program. This suggests a desire to influence ICP positions for the purpose of isolating this party from the international communist movement.

The authors of the article in POLITICAL SCIENCE QUARTERLY, A. Platt and R. Leonardi, also advocate the reassessment of the old forms and methods of U.S. postwar policy toward leftist forces in Italy and advise the adaptation of this policy to new conditions.

As for Platt's and Leonardi's predictions concerning the future development of U.S. policy toward leftist forces in Italy, particularly the ICP, they feel that this policy, in all probability, will develop within the general context of U.S.-Soviet relations. "If, for example, relations between the two superpowers start to cool, we can expect," the authors write, "the United States to take a tough line against the ICP...and if detente develops in relations with the Soviet Union, American politicians will have to make at least the minimum effort to give the ICP the same treatment as other major Italian parties."<sup>5</sup>

It must be said that the liberal view of the "Italian question," set forth by these authors in FOREIGN POLICY and the POLITICAL SCIENCE QUARTERLY, is not yet shared by many American politicians and writers. Most of them support the traditional tough line in relations with leftist forces in Western Europe, and the ICP in particular. This was attested to by Washington's position during the campaign for the Italian parliamentary elections. As we know, Secretary of State C. Vance visited Rome a few days before the elections. On the eve of the elections, the U.S. ambassador to Italy, R. Gardner, announced, after consultations in Washington, that the American administration would strive to diminish the influence of communist parties in the Western European countries and "disapproved" of communist participation in government. All of this testifies that Washington, in spite of the recommendations of liberals, does not intend to stop intervening in Italy's internal affairs.



#### FOOTNOTES

1. For a discussion of the various U.S. approaches to the problem of leftist forces in Western Europe, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 2, 1978, pp 3-14—Editor's note.
2. A. Platt and R. Leonardi, "American Foreign Policy and the Postwar Italian Left," POLITICAL SCIENCE QUARTERLY, vol 93, No 2, Summer 1978, p 208.
3. P. Lange and M. Vannicelli, "Carter in the Italian Maze," FOREIGN POLICY, No 33, Winter 1978/79, p 162.
4. Ibid., p 163.
5. A. Platt and R. Leonardi, op. cit., p 214.

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## HENRY FORD GOES--HENRY FORD STAYS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 80-81

[Article by V. M. Grishin]

[Text] Many American newspapers and magazines were recently filled with headings announcing the "coming end of the 76-year era of the Fords"--the foremost automobile manufacturers, who founded a gigantic corporation at the dawn of this century for the production of automobiles in the United States. The most prominently displayed articles in this coverage were the reports that Henry Ford II, the 61-year-old head of the Ford Motor Corporation, intended to relinquish control over the corporation in December of this year and hand over his authority to a man "not bearing the name of the dynasty that put the nation on wheels."

Reports from the conference room of the corporation's board of directors in Detroit, where the "abdication" took place, said that this event--attended by almost 2,850 stockholders--was accompanied by dramatic scenes. Henry Ford II's "farewell" speech aroused dejection in some and applause in others. An attempt to make Benson Ford--a nephew of the head of the company--a member of the board ended with the stockholder who made this proposal falling into a faint. Another woman, adorned with a red plastic hat, took the rostrum to brand all those present "mere puppets controlled by Ford."

One major question is still the central issue as far as the press is concerned: Why should a completely able-bodied head of a corporation, which now occupies second place in U.S. automobile manufacture, decide to give up "direct" control over his numerous enterprises. Here are the reasons cited by NEWSWEEK and TIME. First of all, there is the belief that Ford is extremely worried about the serious difficulties his gigantic empire is experiencing. It is a fact that the Ford Motor Corporation had to give up some of its influence as a result of its fierce competition with General Motors (the controlling stock in which is held by the Morgans and Du Ponts). The after-effects of the energy crisis and the need to use more economical engines in connection with more rigid federal gas consumption standards have been quite burdensome for the corporation. "All of this adds up to heavy financial pressure," NEWSWEEK stated.

Many paragraphs have been devoted to the purely personal problems of the Ford family. Actually, this part of the coverage is much more sizable than the part dealing strictly with business. The reader learns about all of the upheavals in Ford's divorce trial, which lasted many years, about his relations with other women and about his troubles with the abovementioned nephew, Benson, who was trying to win an appointment to the board. When Ford himself was asked why he was standing in the way of his relative's ambitions, his answer was terse and concise: "He is incompetent." It does seem that Benson Ford's interests lie in another direction: According to the press, the police in the State of California have charged him more than once with the illegal possession of narcotics. At the same time, the "dynastic ambitions" of Henry Ford II's own son must also be taken into account. He, unlike his cousin Benson, already holds an administrative position in the corporation. Without going into the details of the case, we must note that the two cousins have equal inheritance rights to the corporation. It is true that Benson Ford is not in any sense underprivileged even now. He holds more than 1 percent of the stock in the corporation, which is valued at 7 million dollars. But he obviously cannot wait to get his hands on the entire fortune. The press has reported that he is suing his mother in an attempt to take away her share of the family money.

These magazines have also cited other factors that are complicating the life of the head of the Ford firm, particularly the troubles connected with the "Pinto" model. Its engine is still exploding, inflicting physical and psychological damage on the customers. According to the American Bar Association, around 50 Pinto owners have already sued the company for millions of dollars.

When the head of the Ford Motor Corporation was asked why he was leaving the family business, he replied that the personal style of management seemed to be outdated and that he was therefore handing the reins of control over to professional managers, retaining only his position as chairman of the board of directors.

What is being concealed behind this avalanche of facts, declarations and assumptions? Using the terminology of American sociologists, we can say that the founders of the large monopolistic associations in the United States--the Morgans, Du Ponts, Rockefellers, Fords and others--were part of the era of "charismatic leaders"--that is, "great men surrounded by legend," "self-made geniuses with a God-given talent." The lives of the founders of these dynasties represent an inexhaustible source of legends, invented by American propaganda for the edification of younger generations. Almost all of these myths can be reduced to the banal plot involving a poor young laborer who turns into the possessor of vast wealth by virtue of his boundless enterprise.

The first Ford automobile rolled onto the streets of America at the end of the 19th century, and as early as the 20's of our century the first Henry Ford had lifted his dynasty to the acme of financial power. He was not the inventor of the automobile, but he still went down in history because he was

the man who invented the new process for the organization of production that was later given the name "Fordism." The process essentially consists in the conveyor belt and assembly line system of labor. The elder Ford then had an idea that permitted American sociologists to coin the phrase "consumer society" a few decades later. At the beginning of the 20th century, the automobile was a symbol of wealth, power and prestige. Ford concluded that the mass assembly-line production of cheap automobiles would give him an opportunity to use the workers at his enterprises as consumers as well as producers. By increasing their salaries and putting new and improved equipment into his plants, he soon turned these workers into the buyers of the automobiles manufactured in these plants. These expenditures were more than covered by a dramatic increase in profits. The automobile boom made the Ford Motor Corporation one of the largest American--and, in our day, international--monopolies in the capitalist world. This corporation now has dozens of plants and research laboratories in the United States and other countries and occupies a leading position in the United States. Nonetheless, in contrast to other gigantic corporations, it was still being managed on a "one-to-one basis" by a representative of the family dynasty, while the other kings of industrial and financial empires had decided to move behind the scenes long ago. These banks and gigantic enterprises now have new names, which are no longer associated with the names of their owners or founders, and they are, as it were, "collectively" owned (according to the myth of "people's capitalism"). Naturally, this does not mean that the captains of business have ceased to govern the world of capital.

American economists have estimated that authority and control in the gigantic corporations are possessed by only 3,000-5,000 of the richest individuals, who hold the reins of administration firmly in their own hands while transferring day-to-day work over to hired managers.<sup>1</sup> The holders of the controlling stock dictate policy to managers. The controlling stock in 40 percent of the largest corporations is held by one or a few families. Incidentally, only 15-20 percent of the stock is now sufficient to gain control over a corporation. The Ford family owns 40 percent of the Ford Motors stock. Control, however, is accomplished through a board of directors, and Henry Ford II will remain the chairman of this board.

A certain Philip Caldwell has been appointed chief executive officer. All that is known about him is that he, just as the majority of top-level administrators in the American monopolies, was educated at the Harvard School of Business and has worked for the corporation since 1953. Having "inherited" the position of general manager, he will automatically inherit the salary as well, which totals, according to the corporation's reports for 1977, \$92,000 dollars. This sum does not include "special" payments or income from options--that is, from the ownership of stocks which top-level managers can acquire on preferential terms.

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1. See S. Epstein, "Captains of Big Business. Social Portrait of the Manager," Moscow, 1979.



THE CLOUD OF DANGER. CURRENT REALITIES OF AMERICAN FOREIGN POLICY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 82-93

[Last installment of Russian translation by M. B. Ender of selections from the book "The Cloud of Danger. Current Realities of American Foreign Policy" by George F. Kennan, Boston-Toronto, Little, Brown and Company, 1977, and afterword]

[Installment not translated by JPRS]

[Text] Afterword

The chapters from J. Kennan's book printed above provide some idea of the breadth of the author's understanding of problems in the internal life and international policy of the United States, as well as of the position of the author--a prominent American politician, diplomat and scholar. This position also clearly reflects the views of an influential segment of U.S. ruling circles which advocates realism in foreign policy, the curbing of the arms race and a search for constructive solutions that might reduce the danger of war. As the experience of the 1970's has shown, these forces are now capable of influencing government policy-making in the United States.

The meeting between General Secretary of the CPSU Central Committee and Chairman of the USSR Supreme Soviet Presidium L. I. Brezhnev and U.S. President J. Carter, which took place on 15-18 June 1979 in Vienna, represented an important step toward improvement in Soviet-American relations and the entire international political climate. During the course of this meeting, a Soviet-U.S. treaty on the limitation of strategic offensive weapons (SALT II) and other Soviet-American documents were signed.

The complete implementation of the documents signed in Vienna will provide new opportunities for the cessation of nuclear missile stockpiling and the effective quantitative and qualitative limitation of nuclear missiles. The attainment of this objective would represent a new stage in the de-escalation of the nuclear arms race and would open the way to the substantial reduction

of weapons and the attainment of the highest goals--the complete cessation of the manufacture of nuclear weapons and the liquidation of nuclear stockpiles. The implementation of SALT II treaty provisions is expected to stimulate the quickest possible conclusion of other current multilateral and Soviet-American negotiations in the area of arms limitation and disarmament.

The Vienna summit meeting established the possibility of more consistent expansion of the spheres of Soviet-American cooperation on a principled basis of complete equality, equivalent security, respect for sovereignty and nonintervention in one another's internal affairs. This kind of cooperation, which is in the fundamental interests of the Soviet and American people, will strengthen world peace. It is natural, therefore, that the Vienna meeting and its results were praised by the general public throughout the world and were supported by realistic-thinking statesmen.

It should be noted, however, that problems in Soviet-American relations have always been the focal point of fierce political struggle in the United States. During the process of this struggle, the supporters of a tougher foreign policy line for the United States have been able, in past years, to bring about an increase in U.S. military expenditures, new relays in the arms race and the aggravation of the situation in the Middle East and several other parts of the world. The forces that are working toward the deterioration of Soviet-American relations are vigorously opposed to the SALT II treaty.

In light of all this, another important aspect of G. Kennan's book also deserves consideration. As we know, the opponents of detente usually try to camouflage their efforts to create tension in Soviet-American relations and perpetuate the cold war era primarily by means of references to the imaginary "Soviet military threat." This propaganda campaign is going on in various fields, but it is essentially always an attempt to imply that the parity of Soviet and U.S. strategic forces or the approximate equivalence of NATO and Warsaw Pact military forces are changing in favor of the USSR and its allies.

In connection with this, it would be helpful to take a closer look at G. Kennan's comments on this matter. They are distinguished by the profound realism and common sense of an eminent politician. Kennan's line of reasoning is that the balance of military strength cannot be assessed on the basis of isolated numerical data that are tendentiously selected--not to mention those that are obviously made up--and it must be borne in mind that parity consists of many elements.

As Kennan remarks in reference to information derived from American agencies, "some of these figures are so unsound and so highly misleading that it is a surprise to find them emanating from responsible circles. This applies, for example, to the comparison between the strength of the two navies on the basis of the number of vessels they have (and the term 'vessels' here can mean anything at all, from an admiral's barge to an aircraft carrier). It is also true that the dollar figures that are sometimes cited in analyses of supposed Soviet military expenditures are obviously drawn from our own estimates of what it would cost us, with our higher labor costs and our

current inflated prices, to produce in the United States the types of weapons we believe are being produced in Russia. It is completely obvious that the figures derived from calculations of this kind, with no consideration for the thousands of differences in costs, methods and quality of production that are characteristic of the two industrial establishments, can hardly be considered sufficiently indicative."

Kennan's fundamental and thoroughly considered conclusions in regard to current U.S. assessment of the military balance in today's world deserve the closest scrutiny.

"Individual critical analysis of these various statistical comparisons is not part of the purpose of this discussion," he says, "although many of them could be subjected to quite pointed criticism. But there are reasons why all of these attempts to convey useful impressions to the public about comparative military strength with the aid of such figures are at best dubious, and at worst, seriously misleading. The reasons for this are so numerous and, in some cases, so elementary, that I doubt whether there is any need for me to list them. A few of them should suffice.

"First of all, we should remember that there are no general criteria (least of all, numerical) for comparing the merits of various types of weapons or combat units.... A weapon extremely effective on defense might turn out to be relatively ineffective on offense. A weapon effective on the plains may be useless in the mountains. A weapon in the hands of a well-trained and highly motivated unit may have a totally different value in the hands of a differently trained and less motivated combat unit. Mere numerical comparisons do not reflect these variables."

Kennan goes on to say: "There are no two powers with identical needs, if only because there are no two powers with identical geographic locations and political situations." The American politician and scholar also points out another aspect of the assessment of comparative military strength. "Finally, it is clear," Kennan writes, "that most of these calculations, as they appear in American military-strategic literature, presuppose, at least by implication, the existence of a totally bipolar world, which does not actually exist--a world in which there are only the United States and its NATO allies, on the one hand, and the Soviet Union on the other, and each of these sides, we could conclude, has no serious military problems to consider other than those presented by its only antagonist. In this view, the respective military establishments have meaning and value only in relation to one another. This is obviously not true, and the error involved in assuming it to be true further vitiates the significance of all the figures."

In "The Cloud of Danger," Kennan also considers the motives of forces specializing in references to the "Soviet threat." For this reason, the author of the book cautions the American public to make sober and realistic judgments.

"In addition, I must point out," Kennan stresses, "that we, the public, have no means of knowing how the respective figures on Soviet military strength were derived for this, we are asked to take the word of those same people who are constantly raising the issue of our inferiority and demanding that we overcome it. In most cases, we must assume, these figures are taken from secret intelligence sources. I see no reason to doubt the good faith of many of the people who produce the figures. But we have witnessed numerous cases in the past (and we know that this is the general tendency in the majority of military establishments) where estimates of the strength of a supposed opponent are seriously exaggerated, on the theory that it is wise to base the planning process only on the particular assessments that are most unfavorable for our side. For this reason, it would be naive to pretend that when military establishments publish estimates of another power's strength for the use of the general public and legislative agencies, they are not governed, subconsciously or consciously, by the thought that more frightening figures will give them a better chance for the authorized augmentation of their own arsenals.

"This does not mean that figures of this kind can never be trusted. But it does mean that the general public, which is wandering in total darkness, must remember that these figures, often representing only assumptions based on some kind of information or vague general estimates, are usually only approximate and, as a rule, reflect a certain bias in favor of the inflation of the strength of any possible opponent."

The lines cited above reflect the line of reasoning of those who oppose the escalation of tension in the United States. Public opinion polls have shown that the general public in this nation takes this kind of reasonable and realistic stand.

These forces are demanding a sober assessment of the complexity of the present-day international situation and current U.S. foreign policy priorities, particularly in the sphere of Soviet-American relations. This is discussed in detail in G. Kennan's book.

"First of all," he proposes, "let us attempt to divest ourselves of the widespread belief that our differences with the Russians must someday end in war, or that military strength, in any case, must be the deciding factor in their settlement. War between the two countries is not inevitable. The Soviet leaders themselves, particularly Brezhnev personally, do not want war. There is nothing in the divergent political interests of the two countries to necessitate or justify it.

"If we insist on placing military considerations at the heart of our analysis or discussion of Soviet-American relations, we are taking a serious risk, as we might eventually bring about the very war we do not want and should be striving to avoid. History shows that belief in the inevitability of war with a given power affects behavior in such a way as to stifle all constructive political approaches to ward the power, leaves the field open for military compulsions and, as a result, turns into a self-fulfilling prophecy.



If war is regarded as inevitable or even probable, and serious preparations are therefore made for it, there is a good chance that it will eventually have to be fought.

"We must learn to look at Soviet-American relations as a serious political problem which does have military implications, but we must also consider the fact that these implications are of a secondary, not primary, nature. We must not be hypnotized by military values to the degree that we lose our ability to see all the others and we do not strive to develop the promising and constructive possibilities of the relationship between our two countries.

"The greatest danger inherent in the competition between the Soviet Union and the United States in the military field is not the danger of a Soviet attack on our nation or on NATO; it is the danger that the momentum of this tremendous and infinitely dangerous arms race will get out of hand, will become absolutely uncontrollable and will carry all of us to destruction, either through the further proliferation of nuclear weapons or by accident."

The persistent appeal for stronger concerted action to reduce the threat of a worldwide thermonuclear catastrophe can be heard throughout "The Cloud of Danger." This appeal is consistent with the feelings and thoughts of those who care about mankind's future.

As for the United States today, the political situation in this nation is lending more authority than ever before to Kennan's belief that "all future American politics and world events will depend completely" on the outcome of the "intensive debates" in America in regard to the best means of interacting with the Soviet Union. Kennan goes on to say: "We would seem to have arrived at a real and important crossroads. One road leads to the total militarization of politics and, ultimately, to a test of strength based on military power, while the other leads to an attempt to escape the strait-jacket of military rivalry and to acquire a more constructive and promising outlook on the future of America and the world."

George Kennan and all of the other Americans whose thoughts run along the same lines as his are firmly in favor of the second route. We must add that it is precisely on this road that the American people, who want peace on earth and the radical improvement of the entire international situation as much as anyone else does, will be able to pursue their true national interests.

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**MAN-MADE ISLANDS IN THE SEA**

**Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 94-105**

**[Article by V. D. Pisarev]**

**[Not translated by JPRS]**

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UNITED STATES GRAIN ELEVATOR INDUSTRY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 106-116

[Article by V. F. Lishchenko, Ye. N. Vasil'yeva and A. N. Litvinov]

[Not translated by JPRS]

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## BOOK REVIEWS

### Reports of Trilateral Commission

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 117-120

[Review by P. T. Podlesnyy of the books "An Overview of East-West Relations" by Jeremy R. Azrael, R. Loewenthal and Tohru Nakagawa, The Trilateral Commission, 1978, VIII + 70 pages; "Collaboration with Communist Countries in Managing Global Problems: An Examination of the Options" by Chihira Hosoya, Henry Owen and Andrew Shonfield, The Trilateral Commission, 1977, XI + 33 pages; "Towards a Renovated International System" by Richard N. Cooper, Karl Kaiser and Masataka Kosaka, The Trilateral Commission, 1977, X + 68 pages]

[Text] The last three reports of the "Trilateral Commission," compiled by specialists from the United States, England, the FRG and Japan, attract attention among the many works published in the West on problems in international detente and the relations between the socialist and capitalist countries. The first two reports pertain completely to detente, while only a part of the third touches upon this issue.

The reports are of interest merely by virtue of the fact that they reflect the views and attitudes that have become most widespread among influential Western politicians in the last 2-3 years, particularly among those with some relationship to the Trilateral Commission.<sup>1</sup> Although the overall tone and focus of the reports reflect, to a significant extent, the personal opinions of the individuals directly responsible for their compilation, the initial drafts were repeatedly discussed by many members of the commission, as well as representatives of foreign policy departments in the United States and other Western countries, which has indisputably left its imprint on their contents.

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1. As we know, the "Trilateral Commission" was founded in 1973 on the initiative of American banker D. Rockefeller and now includes many of the most influential representatives of political, commercial and scientific circles in the United States and Canada, Western Europe, and Japan, some of whom hold key offices in the present governments of these countries. For more detail, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 9, 1977, pp 31-42.



Two lines of reasoning can be discerned in the view set forth in the reports in regard to the future prospects of international detente.

The first of these is connected with recognition of the necessity to take measures that might reduce the danger of nuclear war between the East and West. For example, the report entitled "Towards a Renovated International System," prepared by Yale University Professor R. Cooper, presently serving as assistant secretary of state for economic affairs in the American foreign policy establishment; director K. Kaiser of a research institute of a German society for the study of international relations (Bonn); and Kyoto University Professor M. Kosaka, unequivocally states: "In spite of the slow progress and failures of detente, there is no constructive alternative to the attempts to stabilize and gradually minimize the tension between East and West, which, more than anything else in the world today, will endanger mankind as a whole in the event that this tension should take the form of war" (p 21). The authors express their approval of measures aimed at the limitation of strategic nuclear weapons and of qualitative improvements in conventional weapons, the agreement on regulations for some potentially explosive parts of the world and the institution of additional steps to prevent the proliferation of nuclear weapons in the world. They find the latter issue particularly disturbing. "In essence," they write, "if the government is unable to achieve cooperation in the area of nuclear nonproliferation, the world could enter a period of instability..., in comparison to which the last quarter of our century would seem to be a fairy-tale era" (p 6). The authors of this report also realize that detente is important not only as a means of preventing nuclear war, but also as a necessary precondition, in their terminology, for the resolution of "all other problems of worldwide nature," primarily such global issues as environmental protection, the creation of new sources of energy and others.

The possibility of interaction by capitalist and socialist states in the resolution of global problems is examined in the report compiled by H. Owen, former director of The Brookings Institution's foreign policy research program; A. Shonfield, director of the Royal Institute of International Affairs; and C. Hosoya, Japanese expert on international affairs. The authors feel that the most promising area for cooperation between the Eastern and Western countries consists in the establishment of the necessary control over exports of nuclear technology, the development and use of world ocean resources, the expansion of reciprocal trade and the resolution of the food problem. A slightly less important role is assigned to cooperation in the fields of power engineering, earthquake prediction, the organization and expansion of joint projects in space exploration, weather forecasting and aid in the resolution of economic problems in the developing states.

Without making any attempt to analyze the factors that motivated the authors to choose this scale of priorities rather than any other with respect to cooperation in these areas, we would like to single out the following premise of the report: "If the opportunities for this kind of cooperation between the communist countries and the countries making up the Trilateral Commission are missed, this will weaken our chances to expand ties, which would reduce

the existing misunderstanding between these countries, although our basic objective in the development of this kind of cooperation should consist in the discovery of more effective ways of solving these global problems" (p 1).

Another line of reasoning set forth by the authors of these reports is connected with their attempts to work out a unique system for the exertion of pressure on the Soviet Union and the other nations of the socialist community during the course of detente to gain exclusive advantages for the West. This approach is most apparent in the report entitled "An Overview of East-West Relations," compiled by a special Trilateral Commission task force, including University of Chicago Professor J. Azrael, chairman of the University's Committee for Slavic Studies, Professor R. Loewenthal of the Free University of Berlin (West), and T. Nakagawa, who was the Japanese ambassador to the USSR from 1965 to 1971. It is a distinctive feature of this report that it deals less with the aspects of detente connected with cooperation than with aspects connected, as the authors stress, with the "continuation of the East-West conflict and the establishment of control over it" (p 1). The very policy of detente is interpreted as a process which includes "necessary and useful efforts to limit the forms, scales, risk and burden of the continuing conflict with the aid of negotiations and partial cooperation" (p 3). Since, in the authors' view, the West cannot allow itself to stop fighting for its own objectives or to cease all efforts aimed at preventing nuclear war, there is truly no alternative to detente in this limited but important sense.

It is indicative that the authors attach cardinal significance in the international struggle between the capitalist and socialist system to attempts to bring about political and social changes benefiting the West, particularly in the developing countries, to display maximum flexibility in the approach to current changes in the world and to avoid outright opposition to these changes.

In other words, the authors recommend that the West not limit itself to the "defense of its own fundamental values and the attempt to realize them on its own territory" (p 46). "One of the main prerequisites for lasting relations between the West and the communist countries," they write, "must be an attempt to influence natural changes in the world in a direction favoring its fundamental values" (p 47).

The authors of this report even go so far as to ascribe such aims to the socialist states. Although they acknowledge the fact that the West can no longer be expected to achieve the "destabilization" of the socialist order in these states by means of external pressure or the use of various internal forces, particularly the so-called dissidents, they nonetheless have not discarded their hope of exerting some influence, during the course of further detente, not only on Soviet foreign policy, but even on particular aspects of domestic life in the USSR, and of forcing the Soviet Union, in the authors' words, to choose precisely this course rather than any other (pp VI, 46-47). The authors obviously are not taking the experience of recent years into account, particularly the experience in the development of Soviet-American

relations and the fact that the approach to detente has a process that practically gives one side the "right" to intervene in the internal affairs of another actually leads away from detente and from the process of normal communications and cooperation between states.

The question of provisions is specially discussed in the report--that is, the question of the attempt by the Western side, particularly the United States, to make the advancement of detente in one area conditional upon unilateral or unacceptable concessions from partners on other political aspects.

In general, the authors realize the unsound nature of the attempts of some circles in the United States to make arms race negotiations conditional upon some aspects of Soviet foreign policy.

The elaboration of new mutually acceptable agreements pertaining to the limitation of the arms race, as the authors stress, "on the basis of parity," would be of equally cardinal importance to the East and West (p 54).

At the same time, the authors display inconsistency by advocating the buildup of NATO military strength, including its strength in the area of conventional weapons. "Reliable deterrents," they assert, "which must be created or preserved with the aid of appropriate action on the part of the West, represent an essential prerequisite for the negotiation of arms limitation" (p 48). They also contradict the principle of detente when they propose the achievement of at least relative or partial military advantages over the USSR or the external appearance of such advantages, which the West could use to exert pressure on the Soviet Union and on progressive and liberation movements in the world.

The same kind of ambiguous and contradictory position is displayed by the authors when they discuss trade and economic relations between the East and West. They cannot ignore the perceptible expansion of economic ties between the capitalist and socialist states, particularly in Europe, which was made a reality largely as a result of the policy of detente and its favorable effect on the political atmosphere in Europe. But they suggest that the further expansion of this kind of cooperation, particularly the extension of long-term credit and the sale of technical items, be made conditional on the results of negotiations on various aspects of arms limitation, as well as on Soviet policy in regard to the developing countries and the national liberation movements. These recipes are not original and are obviously intended to exert political pressure on the Soviet Union and hamper the implementation of its socialist class foreign policy. The authors advise the Western states to create a special agency for the exchange of information and the organization of consultations between these states on aspects of trade and economic relations with the socialist countries, although they simultaneously acknowledge that the "effective coordination" of their actions in this sphere would essentially be impracticable.

A sizable section of the report is taken up by an assessment of the role of the so-called Chinese factor in overall relations between the East and West. The authors' take a quite definite stand on this issue: "Special efforts"



must be made to activate relations with Beijing for the purpose of expanding the "West's freedom to maneuver" in the system of international relations--or, more precisely, for the purpose of exerting pressure on the USSR. It is precisely for this reason that the compilers of this report advocate the development of economic ties with China on terms "favorable" to Beijing, as well as the sale of so-called defensive weapons to China (pp 16, 57, 58).

An examination of just a few of the questions raised in the Trilateral Commission's latest reports, pertaining to the present stage in the development of international detente, proves that there is some realization of the objective need for broader and deeper detente. But elements of realism are interspersed with the advancement of terms and provisions aimed at the achievement of unilateral advantages for the West, and with appeals to continue adhering to the previous line of force in relations with the USSR, although in a more flexible and camouflaged form. Attitudes of this kind are apparently quite widespread today in ruling circles in the United States and the West as a whole, reflecting the desire of these circles to prevent any significant political and social advances in the world that might contradict the interests of American and worldwide imperialism.

#### British View of American Government

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 120-122

[Review by V. S. Golubkov of the book "Vision and Reality. The Evolution of American Government" by W. Simpson, London, John Murray (Publishers), Ltd., 1978, 243 pages]

[Text] The main intention of this monograph by English researcher W. Simpson is to demonstrate the interrelationship between the historical development of the United States and the evolution of government in this country, particularly its basic elements--the institutions of the presidency, the Congress and the Supreme Court.

Simpson analyzes, in chronological sequence, various periods in U.S. history, the boundaries of which are frequently arbitrarily set by the author and do not always coincide with the traditionally accepted dates. He strives to demonstrate how U.S. foreign political activity and domestic political development in the nation during a particular stage influence the evolution of the system of government and the exercise of presidential, congressional and Supreme Court authority. As a result, however, Simpson ends up with a fairly amorphous study of U.S. history with isolated sprinkles of correct analysis, which cannot constitute any kind of integral picture of American Government. Nonetheless, an analysis of the English author's work will be of some interest.

On the whole, Simpson's work has been written in a loyal tone, so to speak, with consideration for the "special nature" of Anglo-American relations (this particularly applies to his analysis of the initial period of the cold



war), but the author's tone becomes more and more criticizing in his description of later events. He remarks, for example, that the "Truman Doctrine," which "extended U.S. concern for national security to Europe as well," "gave rise to countless obligations which would have been absolutely unacceptable to previous generations" (p 148). Simpson tells how the U.S. Government tried to extend this "concern" to more and more regions in an attempt to draw them into the sphere of American influence. The creation of NATO, the intervention in Korea and interference by the United States in China, Vietnam, the Middle East and Latin America--these were the results of this policy. Simpson censures the U.S. intervention in Guatemala in 1954 and the "inglorious outcome of the Bay of Pigs venture in 1961--the attempted infiltration of Cuba by a group of Cuban emigrants secretly supported by President Kennedy" (p 150).

In his examination of various aspects of U.S. aggression in Vietnam, Simpson seems particularly disturbed by the fact that the American Congress gave the U.S. President the right to use armed force in Vietnam at his own discretion in several resolutions, beginning with the notorious resolution connected with the Gulf of Tonkin "incident." "The most surprising thing was Congress' willingness at that time to give the President carte blanche to escalate the war at his own discretion--and to do this on the basis of insufficient and contradictory testimony" (p 151). "Step by step," Simpson concludes, "the Truman Doctrine was expanded, until it reached its absurd extreme, consisting solely in attempts to achieve dominance over one group of people by means of bombs to help another group avoid domination" (p 152).

In connection with this, the author makes certain corrections in the customary English glorification of the economic assistance given by the United States to its allies after World War II, stressing that it was essentially offered "in the cold war context." The author cites D. Acheson's remark that the final goal of the Marshall Plan was to "prevent the expansion of Soviet authority and to achieve reconciliation and agreement with the communist political system and economy." The same criteria, Simpson adds, were used when assistance was offered within the framework of other economic programs (p 154).

In the 1970's, however, the U.S. leaders had to acknowledge the changing balance of power in the world, Simpson writes. "Whereas President Kennedy promised in 1961 that the United States would 'bear any burden and pay any price' to defend the freedom of the West, by 1973 it seemed that the price was no longer worth paying. The crusading nature of U.S. foreign policy gave way to a more sober understanding of what the United States could expect to accomplish in the world" (p 153).

Moving on to the effects of the cold war and the expansionist policy of the United States on internal political developments in the nation and the evolution of American Government, Simpson notes that the primary result was a dramatic increase in the proportional significance of the Pentagon and the "establishment of close ties between private industry and the particular officials in the military establishment who are in charge of supplying the

American Armed Forces" (p 155). Citing, in connection with this, D. Eisenhower's famous warning about the absolute power of the military-industrial complex in the United States, Simpson comments on the existence of a "network of interrelated interests" of the military-industrial complex and the U.S. Congress, emphasizing the "amazing speed with which Congress approves defense appropriations" (Ibid.).

The author also sounds disturbed when he discusses the creation of new influential government agencies to play the decisive role in policy-making and in federal management--the National Security Council and the CIA. He stresses that an NSC document of 1950, in which the necessity for responding to the threat of "Soviet ideological and territorial expansion" with force was concluded, "played the deciding role in U.S. foreign policy-making for decades, if not longer" (p 156). The actions of the CIA in Chile, Vietnam, Cuba and other countries also, "to a considerable extent, predetermined U.S. policy," Simpson writes.

An important consequence of the cold war was the unconstitutional expansion of presidential power, primarily in regard to the use of armed forces abroad. The author stresses that the decisions concerning the atomic bombs dropped on Hiroshima and Nagasaki, armed intervention in Korea, and U.S. policy at the time of the Cuban crisis of 1962 were made without Congress' knowledge. "In essence, this practice deprived Congress of its constitutional power to declare war," Simpson concludes, citing this as the reason for Congress' passage of a law in 1973, in spite of Nixon's veto, stipulating that the President must inform Congress of the use of American troops abroad within 48 hours after this action has been taken, and if this decision is not approved by Congress, the troops must be recalled within 60 days.

The White House's tendency to bypass Congress when important political decisions are made led to the passage of a law in 1972, in accordance with which all administrative agreements concluded by the President of the United States must be submitted to Congress within 60 days after they have been signed. The scales of the practice of not consulting with Congress are attested to, for example, by Simpson's data that, by the middle of 1971, the Nixon Administration had concluded 608 administrative agreements with other countries without Congress's consent and only 71 agreements with its consent (p 159).

World War II, according to Simpson, represented a definite "turning point in the development of the United States' international role." This primarily affected Anglo-American relations. "The very choice of Eisenhower as supreme commander of the Normandy invasion was an admission of the fact that the United States had become the senior partner in the Anglo-American alliance"; at the same time, the "dubious distinction of being the first nuclear power," the English political scientist writes, "increased the United States' new responsibility in the world" (p 147).

The new role of the United States in the international arena, in Simpson's words, led to the "subordination of all domestic political needs to cold war interests"; priority was given to defense interests instead of the need

to solve the problems of poverty, unemployment, crime and urban development and the racial problem. It also led "to the sharp polarization of American public opinion" and "disillusionment not only with the administration's policy, but also with the entire system of government, which obviously did not contain any possibilities for change" (p 160). Simpson quotes a statement by a prominent American attorney, Yale University Professor C. Reich: "As an instrument for turning the will of the people into political decisions, the American system hardly works at all."

The methodological defects of Simpson's book are primarily due to the fact that the author, adhering completely to the rules of bourgeois historical analysis, ignores the fundamental natural tendencies in the development of American imperialism, on which the domestic and foreign policy of U.S. ruling classes depends. This is the reason for Simpson's inability to provide a logical explanation of the evolution of the contemporary U.S. Government, and his attempt to call the external symptoms of these tendencies the primary cause of this evolution. This is also the reason for his general conclusion that Jefferson's and Lincoln's dream of a "people's government, consisting of representatives of the people and working for the good of the people," has allegedly become a reality in the United States. On the whole, the author writes, "the system of mutual underwriting by the President, the Congress and the Supreme Court" is functioning normally, and the issue now, he says, consists in correcting "isolated defects" in the American Government and political system (p 196).

This book by W. Simpson, a professor at one of England's prestigious higher academic institutions, is of interest primarily because it reflects, to a certain degree, the views of the English establishment in regard to its chief ally. It serves as yet another indication that although influential English circles are still loyal to the United States on the whole, they are nonetheless experiencing increasing anxiety in the face of a number of disturbing tendencies in U.S. foreign policy.

#### Report of Council on Environmental Quality

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 122-124

[Review by V. I. Sokolov of the book "Environmental Quality--1978," the Ninth Annual Report of the Council on Environmental Quality, Washington, December 1978, XLI + 599 pages]

[Text] The published reports of the President's Council on Environmental Quality indicate that, in just 2 years in office, the Carter Administration has had to make considerable changes in the priority of various conservation programs. The administration has also lost its previous confidence in its ability to curb the increasingly acute ecological problems in the United States.



The determination and optimism permeating the policy-planning statement on environmental problems made by President J. Carter in Congress in May 1977 have already been replaced, in the new report of the Council on Environmental Quality, with notes of uncertainty and an admission of the urgency and complexity of the tasks to be accomplished in this field (p III).

The uncertainty as to the importance of various conservation problems is reflected in the structure of the report being reviewed, as well as in the content of some chapters. Although the materials of the new report cover a fairly broad spectrum of ecological problems now being solved in the United States (the protection of the environment against mounting pollution, ecological problems arising from the processes of urbanization and the development of energy resources, soil conservation, the protection of forests, plantlife and wildlife and so forth), it is sometimes difficult for the reader to determine which of these problems the administration considers to be the most important today. For example, it is no coincidence that energy is called the central issue in U.S. conservation problems. Carter's energy plan, which was adopted by Congress at the end of 1978, envisages the consideration of ecological factors, in addition to all others, in the energy sector of the economy. This applies primarily to off-shore drilling for oil and gas, the intensive exploitation of U.S. coal reserves, the use of nuclear power and new sources of energy and so forth. For example, in 1979 the Department of the Interior should complete the preparation of eight regional and one national expert ecological appraisals for the working of major U.S. coal deposits. This is the reason that huge sums are now allocated for environmental protection in U.S. power engineering. Nonetheless, the new report of the Council on Environmental Quality devotes even less space than previous reports to the analysis of ecological problems in power engineering.

The reason for this would seem to lie in the fact that the Council on Environmental Quality is not so much an advisory agency as a "propagandist" of the administration's activities in the area of environmental protection. In the nation as a whole, since the time when the national air quality standards were instituted (1970), there have been less emissions of such major pollutants as carbon monoxide, photochemical oxides, sulfuric oxides and mechanical particles. Of the main pollutants, only emissions of nitrous oxide have remained unchanged.

A careful analysis of the information in the report, however, proves that even the results of air pollution control have been far from identical in all locations. The measurement, for example, of air pollution levels in such cities as Los Angeles, Denver, Cleveland, St. Louis and others has shown that conditions here can be described as "unsatisfactory" (p 13).

In other areas of conservation, the urgency of existing problems in the United States is even more obvious. For example, a special study of the Environmental Protection Agency stressed that 95 percent of 246 reservoirs were polluted to some extent (p 91).



In their report, the experts from the President's Council on Environmental Quality could not ignore urban problems, since the crisis that has seized the big American cities in recent years is quite definitely connected with ecological problems.

At the same time, all attempts at state-monopolistic regulation of the interaction between capitalist urbanization and the environment have only exacerbated the social problems in American society. Even the President's advisers note, in particular, that "access to recreation is a common problem for the urban poor" (p 237). The fact is that government-funded parks and recreational zones can only be reached by car. The urban poor cannot take advantage of these opportunities. Besides this, "crime and vandalism," the report states, "also hamper recreational programs in almost every city" (p 37).

Quantities of urban garbage and other waste products of production and consumption are constantly increasing. In 1977, the processing industry alone produced 344 million tons of waste of various kinds. The United States already has 20,000 public dumps, 23,000 mud and sludge flats and more than 100,000 dumps for industrial waste.

Finally, here is the most amazing fact: "Secondary waste" is accumulating rapidly--this is the waste created when pollutants are removed from air and water. The quantity of this waste in just 14 industries should increase from 19.5 million tons in 1974 to 35.7 million in 1983 (p 160). This kind of "conversion" of pollutants from one form to another is seriously complicating the attainment of conservation objectives as a whole.

The report of the Council on Environmental Quality devotes considerable space to an analysis of the state of renewable natural resources (land, water, forests, fish and wildlife). One of the most serious problems in the resource sector of the American economy is soil erosion, which, as the report points out, has taken one-third of all plowland out of circulation in the 200 years of the United States' existence (p 274).

Equally serious problems have also arisen in the supply of water resources. According to the data of the Council on Environmental Quality, the central and southwestern states are already experiencing a quite noticeable water shortage. By the year 2000, half of the United States will be in this position.

Therefore, even the most general review of the information in the report shows that the urgency and significance of ecological problems in the United States are not in any sense diminishing, but are, rather, constantly increasing.

Under the conditions of capitalist economic management, even the difficulties connected with the implementation of conservation measures are used by monopolies in their own interests. For example, businessmen in several parts of the United States have closed their unprofitable enterprises and have left thousands of workers without jobs, blaming this on the rising cost of conservation measures. By the beginning of 1978, around 120 industrial enterprises had been closed, as a result of which 22,000 workers were out on the

street (p 432). The rising cost of environmental protection in the United States is also serving as the "latest" excuse for the escalation of prices by private companies.

This report contains the first estimate (although it is very much only an approximation) of the economic losses the American economy could incur if conservation measures are not taken. According to the estimates of the experts from the Council on Environmental Quality, air pollution controls alone reduced losses in the U.S. economy by approximately 22 billion dollars just in 1977 (p 420).

Finally, a special place in this report, just as in the previous report of the Council on Environmental Quality, is occupied by an analysis of global problems, which the U.S. Administration is trying to associate, in one way or another, with environmental problems. However, whereas the global problems analyzed in the previous report actually were directly related to the protection of the biosphere (the development of the ocean and Antarctica, global water supplies, global processes of atmospheric pollution, measures to establish control over toxic substances and so forth), attention in this report is focused on problems in the struggle against poverty and the progress of economically underdeveloped countries. The authors of the report try to analyze the processes of industrialization and urbanization in the developing countries through a unique "ecological prism." But it is quite doubtful that the major socioeconomic problems of the developing countries can be associated exclusively with ecological issues.

#### Soviet Foreign Policy Documents

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 124-125

[Review by V. G. Trukhanovskiy and G. V. Trukhanovskiy of the book "Dokumenty vneshney politiki SSSR," vols XX, XXI, Moscow, Politizdat, 1976, 1977]

[Text] "Dokumenty vneshney politiki SSSR" [Soviet Foreign Policy Documents], compiled by the USSR Ministry of Foreign Affairs' Commission for the Publication of Diplomatic Documents, will make numerous new papers and important foreign policy documents available to the scientific community.

The collections being reviewed will provide the reader with a more vivid picture of the events of 1937 and 1938. They quite cogently testify that the CPSU and Soviet Government correctly assessed the implications of world political developments on the eve of World War II and chose the only possible foreign policy that would be most in line with the national interests and internationalist obligations of the Soviet State. At the same time, the documents testify to the criminal permissiveness extended to the aggressors by the governments of England and France, for which the English, the French and many other nationalities soon had to pay a high price.

The intentions and true goals of the leaders of the imperialist powers were no secret to the Soviet Government. Taking advantage of the dramatic exacerbation of conflicts between the imperialist powers to prevent the organization of a united anti-Soviet front, the USSR acted in the interests of peace along with the states that were being menaced by aggression.

In addition to documents providing a fuller understanding of the true goals of the Western powers, which paved the way for Hitler's seizure of Czechoslovakia by means of their policies, the 21st volume contains several documents which fully elucidate the stand occupied by the Soviet Union in regard to the Munich meeting and its results--a stand which was set forth both publicly and in confidential statements by Soviet leaders to representatives of Czechoslovakia. The Soviet Government announced that it was prepared to fulfill its obligations arising from its treaty on mutual assistance with Czechoslovakia. The USSR's willingness to assist Czechoslovakia, in combination with the determination of its people to defend their independence, might have served to reliably defend the nation against encroachment by Germany. But ruling circles in Czechoslovakia preferred to place their nation at Hitler's feet, just so they would not have to cooperate with the USSR.

Many official papers included in the 20th and 21st volumes recreate a documentary picture of the political struggle that broke out in 1937 and 1938 over the events in Spain. These documents indicate that the Soviet Union completely fulfilled its international obligation by supporting the Spanish people's just struggle against fascist enslavement. When the farce involving the so-called committee for non-intervention, dreamed up in London and Paris, was exposed and it was learned that the committee was essentially serving as a cover-up for German-Italian intervention, the Soviet Union began to give the Republicans military and material support (vol XX, p 292).

Documents included in these volumes testify that the Soviet Union did everything within its power to develop normal relations with England, France and the United States. Soviet diplomatic services abroad tried to convince the political leadership of these countries that "correct interrelations between the United States, Great Britain and the Soviet Union would represent a basis for struggle against worldwide fascism and aggression and could actually prevent a major war" (vol XX, p 598). Ruling circles in England and France, however, blindly disregarding their own national interests, did not take advantage of existing opportunities for businesslike cooperation with the Soviet Union. As for the United States, ruling circles in this country did not display enough interest in the development of political and economic cooperation with the USSR either. As the documents in these two volumes testify, influential reactionary circles in the United States, under the cover of "isolationism," hampered the development of normal relations between the two countries. At the time of the Munich meeting, the United States actually supported England's and France's political encouragement of German expansion; American ruling circles did not respond to the Soviet proposal of 28 September 1938 on the need to convene an international conference for the purpose of determining practical ways of saving the world through collective efforts.



There were some positive moments, however, in the relations between the USSR and the United States in 1937 and 1938. The conclusion, for example, on 4 August 1937 of the first trade agreement, envisaging the mutual extension of most-favored nation terms, was of great significance. This agreement served as a solid basis for Soviet-American trade right up to the beginning of the cold war. The text of this important document is reproduced in its entirety in volume XX (pp 443-448).

The documents and papers included in these volumes extensively elucidate not only Soviet relations with the great powers, but also bilateral relations with Germany, Italy, Poland, Czechoslovakia, Romania, Belgium, Finland, Sweden, Norway, the Mongolian People's Republic, Afghanistan, Iran, Turkey, China, Japan and several other nations, providing the reader with a comprehensive understanding of Soviet foreign policy activity at the end of the 1930's.

These published documents will contribute greatly to the elucidation of the history of Soviet foreign policy, a policy in the public interest, in the interest of peace and progress, just as they will help to elucidate the history of international relations as a whole.

The volumes being reviewed are also of major political significance. Many of the problems faced by states and nations four decades ago still exist: These are the problems of collective security in Europe, cooperation by all European countries in the interest of peace, interrelations between the socialist and capitalist countries, etc. Europe and the world have changed radically since that time. Socialism has become immeasurably stronger and has invariably acted in defense of peace and progress. But reactionary, imperialist forces are still trying to prevent international detente. The resistance of these forces cannot be overcome without taking their actions during previous stages of the history of international relations into account. These collections of documents from 1937 and 1938, by serving to remind us of the lessons of the past and by exposing the enemies of peace and international cooperation who were active in the second half of the 1930's, will make a substantial contribution to the ideological and political struggle for peace today.

#### Contemporary Capitalism and the Middle Classes

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
pp 126

[Review by Ye. A. Ambartsumov of the book "Sovremennyy kapitalizm i sredniye sloi" by S. N. Nadel', Moscow, Nauka, 1978, 382 pages]

[Text] This new study by S. Nadel', which incorporates some of the aspects of his previous works and preserves their scientific merits, goes further than the previous works, transcending the bounds of its title. In this work, Nadel' presents a brief description--which is novel both in approach and in content--of the entire social structure of contemporary capitalism. The work



is largely based on U.S. material, so that each person who wishes to learn about the intricacies of American life and speculate on its prospects, will find this book useful.

Naturally, the most interesting sections of the book are those pertaining to its main subject--the urban and rural middle strata, that is, petty bourgeois businessmen and the intelligentsia. The author correctly points out the single feature uniting these strata--"the intermediate position they occupy between the main classes--the bourgeoisie and the proletariat" (p 80). This means that representatives of the middle strata are subject to two opposite processes--proletarianization and, naturally to a lesser degree, bourgeoisization.

In the chapter on the urban petty bourgeoisie, the author demonstrates how these processes under the conditions of technological revolution caused whole branches of industry to disappear in the United States, giving way to large capitalist enterprises. Nonetheless, the absolute number of small enterprises here has not decreased due to the preservation of small-scale production in the construction industry and its spread to the service sphere, particularly the area of personal services, which are not as appealing for monopoly expansion. Incidentally, these monopolies gained control over formally independent businessmen through a system of vassal contracts, analyzed by S. Nadel', the newest form of which is called "franchising."

The processes of proletarianization and bourgeoisization in U.S. agriculture are taking unique, contradictory and ambiguous forms. The percentage accounted for by owners is rising in agriculture as the percentage of renters decreases. The latest phenomenon is the increased number and significance of corporate farms with an average area of more than 1,500 hectares, almost half of which annually produce at least half a million dollars' worth of commercial products. The author defines these farms as capitalist units (p 116).

The opposite process--proletarianization--is attested to by such statistics as the rising percentage of hired workers in the able-bodied agricultural population from 23 percent in 1950 to 33 percent in 1970 (p 128). In view of the description in the book of the tragic life of seasonal workers, it would be an oversimplification to call this process mere impoverishment. Nadel' has the following to say about American agriculture: "Workers with limited specialties are giving way more and more to the all-round specialist, who is not only able to operate machinery systems, but also has sufficient knowledge and skill to carry out the entire cycle of production operations" (p 129).

Here the unprecedented mass significance of such factors as labor of high quality and the general and professional training of workers is becoming apparent. This is particularly graphically reflected in the increased size and significance of the intelligentsia. As contemporary capitalism develops, however, it is losing its previous exclusive status in society, and its labor--just as, incidentally, the labor of farmers--is turning into

a variety of industrial labor. Moreover, these and other aspects of proletarianization in the intelligentsia are also being accompanied by equally significant changes in structure--for example, the advancement of the category of administrative personnel to second place among the groups of the intelligentsia (after teachers).

In connection with this, a tendency discovered by S. Nadel' should be pointed out--the tendency of American capitalism to give the technological intelligentsia a certain measure of creative freedom, including the opportunity to diversify its work. This is being done because "maximum labor productivity has always been the case when the specialist has had the greatest authority in the choice of research topics" (p 255). This is why the author, in his chapter on the democratic alternative, correctly underscores the significance of demands for the humanization of labor and for "democracy based on personal participation" (p 333).

Although the work suffers from a few omissions and contradictions (for example, considerable discrepancies in the extremely interesting data on professional groups in the United States), they do not diminish the value of the book.

#### Roots of American History

Moscow SSNA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
p 127

[Review by Ye. M. Dvoychenko-Markova of the book "U istokov amerikanskoy istorii. 1606-1642" by L. Yu. Slezkin, Moscow, Nauka, 1978, 332 pages]

[Text] This work covers the initial period of American history, when the English colonies of Virginia and New Plymouth (in New England) first took shape on what is now U.S. territory. The author points out the particular significance of the first settlement in Virginia, which is usually relegated to a position of secondary importance by American historians. It was precisely there, however, and only later in New England, that the first American social institutions were born--the same institutions which later served as the basis for the contemporary democratic establishment in the United States--and where the typical features of the American character, which we can still see today, were first defined.

The story of Virginia centers around the figure of national hero John Smith, the writer, diplomat and soldier who took an honored place among the Founding Fathers of America. Smith's memoirs and other works help to recreate the earliest history of the United States and provide an understanding of the life and morals of the first English settlers and the Indians in North America. In a detailed biography of Smith, L. Yu. Slezkin tells of his adventures in Europe, where he fought in the war against the Turks. The wounded Smith was taken prisoner and was sent to the Tatar region near the Black Sea, from which he was able to escape. The author does not mention, however, that he escaped through the Russian steppes,

where the Don Cossacks gave him refuge. Smith studied their system of fortifications against the nomads, and the same kind of system was later used to protect Virginia from Indian attacks. The inhabitants of the first English colony owe their lives and the achievement of peace with the Indians to Smith.

In spite of the American traditional view of New England as the "embryo" of the United States, its history is less eloquent. The settlers who came to New England in 1620 on the famous "Mayflower" were Puritans who had been persecuted in their native land. In America, they founded the colony of New Plymouth, where they established their customs and later develop religious intolerance to the point of the notorious "witch hunts." The author notes that New England gave birth to the prototype of the American businessmen, with his passion for "free enterprise" and his invariably hypocrisy.

At the same time, the author gives credit to the people who overcame tremendous obstacles and difficulties and laid the foundations for the future United States of America.

#### Textbook on U.S. Economics

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 9, Sep 79  
p 127

[Review by A. A. Petrov of the book "Ekonomika SShA," edited by V. F. Zhelezova, Moscow, Izd-vo Moskovskogo universiteta, 1979, 193 pages]

[Text] The subject of this review was compiled by a team of authors from Moscow State University's School of Foreign Economics, headed by docent V. F. Zhelezova. It is intended to serve as textbook for undergraduates and post-graduate students majoring in economics. This is the first publication of its kind on the U.S. economy. The authors elucidate a great variety of current American economic problems, basing their discussion on recent publications in the field of American area studies. In particular, they thoroughly analyze the peculiarities of the reproduction of state-monopolistic capitalism in the United States. The material presented in this monograph includes skillfully collected facts, figures, meaningful calculations and logical conclusions pertaining to "serious defects in the system of state-monopolistic regulation and the absence of a truly effective economic policy of the American Government, aimed at alleviating the increasingly pronounced symptoms of the general crisis of capitalism" (p 64).

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